

TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2019

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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, 2019, 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, 2019, 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 33-37 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 and State Compliance 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.

John Lutter & Associates, LLC

September 8, 2020

Management's Discussion and Analysis

This section of the annual financial report offers readers of the Town of Johnstown a discussion and analysis of the Town's financial performance during the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflow of resources for The Town exceeded liabilities and deferred inflow of resources by \$187 million, an increase of \$20.6 million, or 12 percent.
- As of December 31, 2019, net position for governmental activities was \$125.5 million, up \$13.7 million or 12.3 percent from December 31, 2018. Business type activities reported a net position of \$62.2 million, up \$6.8 million or 12 percent in the same time frame.
- General revenues account for \$20,451,360 or 51.4 percent of all revenues. The Town had \$19,331,958 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$10,878,644 in expenses related to governmental activities, of which \$5,151,057 were offset by program specific charges for services and operating grants, contributions. Taxes of \$16,497,792 and other general revenues of \$3,098,189 and transfers out of \$105,000 as shown on the statement of activities, offset the costs.
- The Town had water, sewer, and drainage charges for service income totaling \$5,805,722. Grants and capital contributions revenues for these funds totaled \$8,375,179. The cost of providing water, sewer, and drainage services totaled \$13,196,004.
- The Town's unassigned fund balance for the General Fund is \$25,547,765, the committed fund balance is \$23,253,114, and the restricted fund balance is \$745,000. The committed fund balance is intended to finish the construction of the Recreation Center, improvements to the I-25 interchange and equipment replacement. The unassigned portion of the Town's fund balance is available to meet the Town's reserve requirements and future spending at the Town's discretion.
- Outlays for capital assets were primarily comprised of construction of the recreation center, water acquisition, infrastructure and equipment. See the Capital Assets Section of the Financial Statements for detail.
- The Town's governmental funds only outstanding debt are accrued compensated absences totaling \$57,751 at December 31, 2019.
- The Town's business-type funds only outstanding debt are accrued compensated absences totaling \$26,740 at December 31, 2019.



Overview of the Financial Statements

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

Government-Wide Financial Statements

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

There are two government-wide financial statements:

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

Statement of activities – This statement presents information showing how the Town of Johnstown's net position changed during 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements reflect three distinct activities:

Governmental Activities – These activities are primarily supported by taxes and intergovernmental revenues. The Governmental Activities of the Town of Johnstown include general government, public safety (police), public works, community development, cemetery, and recreation.

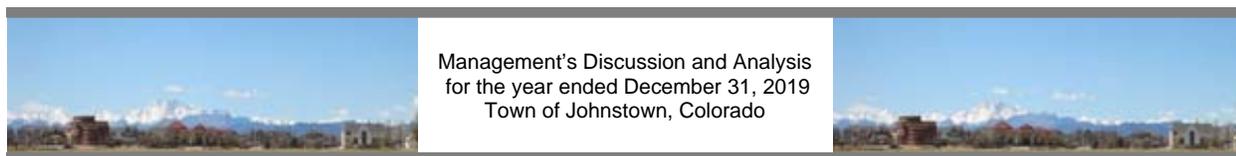
Business-type Activities - These activities are supported by user fees and service charges which are intended to recover all of their costs. The Business-type Activities of the Town of Johnstown include Water, Waste Water, and Drainage. Governmental activities and business-type activities combined comprise the primary government.

Component Units – The Town currently does not have any organizations that are legally separate and are reported separately from the primary government.

Governmental activities and business-type activities combine to comprise the primary government. The government wide financial statements begin on page 1 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, the Town Board establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.



Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s short-term financing requirements. The accounting method used is *modified accrual* accounting.

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

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

Governmental fund financial statements begin on page 3 of this report.

Proprietary Funds – The Town of Johnstown maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water, Waste Water, and Drainage Funds. These funds are considered major funds of the Town of Johnstown.

Proprietary fund statements begin on page 6 of this report.

Notes to the Financial Statements

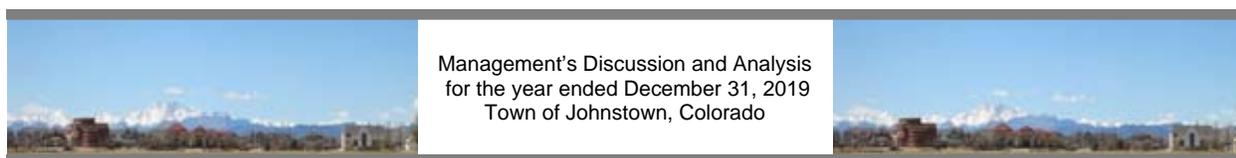
The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes can be found on pages 9 to 32 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 33 to 47 of this report.

Financial Analysis of the Town as a Whole

As noted previously, net position may serve over time as a useful indicator of the Town’s financial position. For the year ending December 31, 2019, the Town’s combined assets exceeded liabilities and deferred inflows of resources by \$187,811,273.



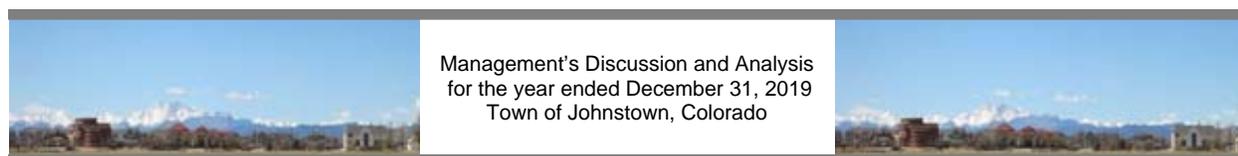
TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF NET POSITION
2019/2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Assets						
Current Assets	104,023,131	102,099,363	37,919,224	32,815,460	141,942,355	134,914,823
Capital Assets - Net	15,960,492	36,987,207	18,129,522	30,798,988	34,090,014	67,786,195
Total Assets	119,983,623	139,086,570	56,048,746	63,614,448	176,032,369	202,701,018
Deferred Outflow of Resources						
Related to Pensions	265,200	429,523	-	-	265,200	429,523
Liabilities						
Current Liabilities	1,908,212	4,085,454	622,054	1,335,359	2,530,266	5,420,813
Long-Term Liabilities	36,659	178,109	15,619	26,740	52,278	204,849
Total Liabilities	1,944,871	4,263,563	637,673	1,362,099	2,582,544	5,625,662
Deferred Inflows of Resources						
Related to Pensions	139,181	6,009	-	-	139,181	6,009
Deferred Property Tax Revenue	6,369,241	9,687,597	-	-	6,369,241	9,687,597
Net Position						
Net Investment in Capital Assets	15,960,492	36,987,207	18,129,522	26,148,988	34,090,014	63,136,195
Restricted	685,000	745,000	-	-	685,000	745,000
Unrestricted	95,150,038	87,826,717	37,281,551	31,453,361	132,431,589	119,280,078
Total Net Position at December 31	111,795,530	125,558,924	55,411,073	62,252,349	167,206,603	187,811,273
Total Increase in Net Position						20,604,670
Percent Increase in Net Position						12.32%

A portion of the Town of Johnstown's net position (36%) reflects its investment in capital assets (e.g. land, buildings, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position (.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$119,280,078) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate Governmental and Business-type Activities.

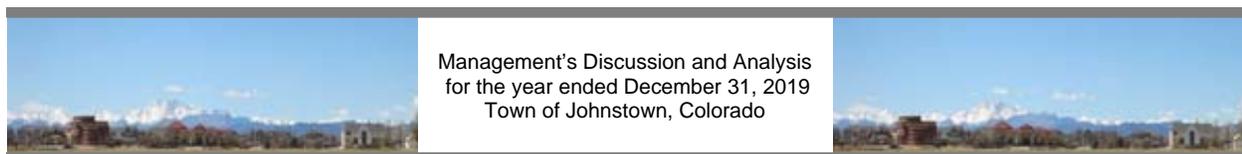


**TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2019/2018**

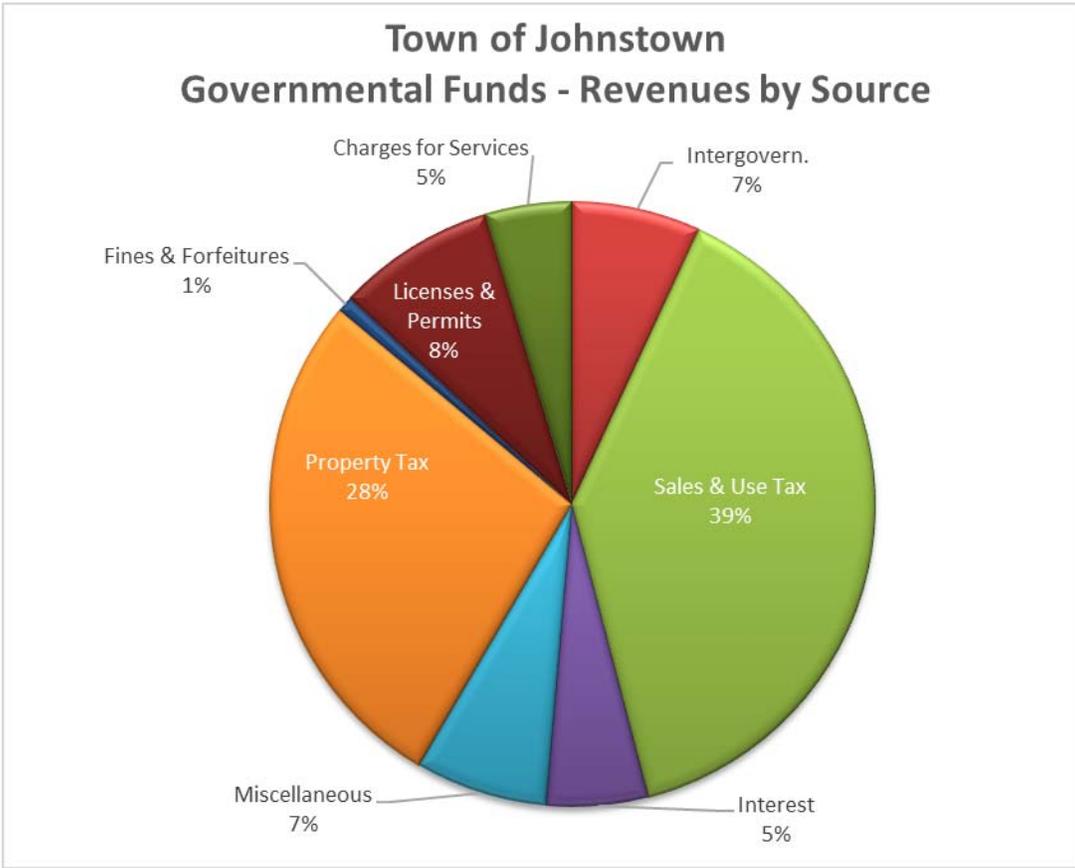
Revenues	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Program Revenues						
Charges for Services	4,978,884	3,446,475	6,215,653	5,805,722	11,194,537	9,252,197
Operating Grants and Contributions	972,269	838,493	-	-	972,269	838,493
Capital Grants and Contributions	641,045	866,089	1,623,949	8,375,179	2,264,994	9,241,268
General Revenues						
Property Taxes	6,635,104	6,832,671	-	-	6,635,104	6,832,671
Sales and Use Taxes	7,701,193	8,567,197	-	-	7,701,193	8,567,197
Franchise Taxes	465,561	481,407	-	-	465,561	481,407
Other Taxes	199,220	616,517	-	-	199,220	616,517
Interest	1,094,327	1,755,082	476,140	855,379	1,570,467	2,610,461
Other Revenues	38,195	1,343,107	-	-	38,195	1,343,107
Loss on Disposal of Assets	-	-	-	-	0	0
Total Revenues	22,725,798	24,747,038	8,315,742	15,036,280	31,041,540	39,783,318
Expenses						
General Government	1,486,792	1,738,101	-	-	1,486,792	1,738,101
Public Safety	2,213,497	2,571,428	-	-	2,213,497	2,571,428
Public Works	2,339,272	3,930,808	-	-	2,339,272	3,930,808
Health and Welfare	72,130	71,959	-	-	72,130	71,959
Culture and Recreation	920,722	2,566,348	-	-	920,722	2,566,348
Interest on Long-Term Debt	-	-	-	-	0	0
Water	-	-	1,794,109	8,294,187	1,794,109	8,294,187
Sewer	-	-	1,452,503	4,685,053	1,452,503	4,685,053
Drainage	-	-	184,250	216,764	184,250	216,764
Interest on Long-Term Debt	-	-	-	-	-	-
Total Expenses	7,032,413	10,878,644	3,430,862	13,196,004	10,463,275	24,074,648
Excess (deficiency) before transfers						
Transfers	(121,416)	(105,000)	121,416	105,000	0	0
Prior Period Adjustment	-	-	-	4,896,000	0	0
Change in Net Position	15,571,969	13,763,394	5,006,296	1,945,276	20,578,265	15,708,670
NET POSITION, Beginning	96,223,561	111,795,530	50,404,777	55,411,073	146,628,338	167,206,603
NET POSITION, Ending	111,795,530	125,558,924	55,411,073	62,252,349	167,206,603	187,811,273

Financial Analysis of the Town's Funds

Governmental Activities. The focus of the Town of Johnstown's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.



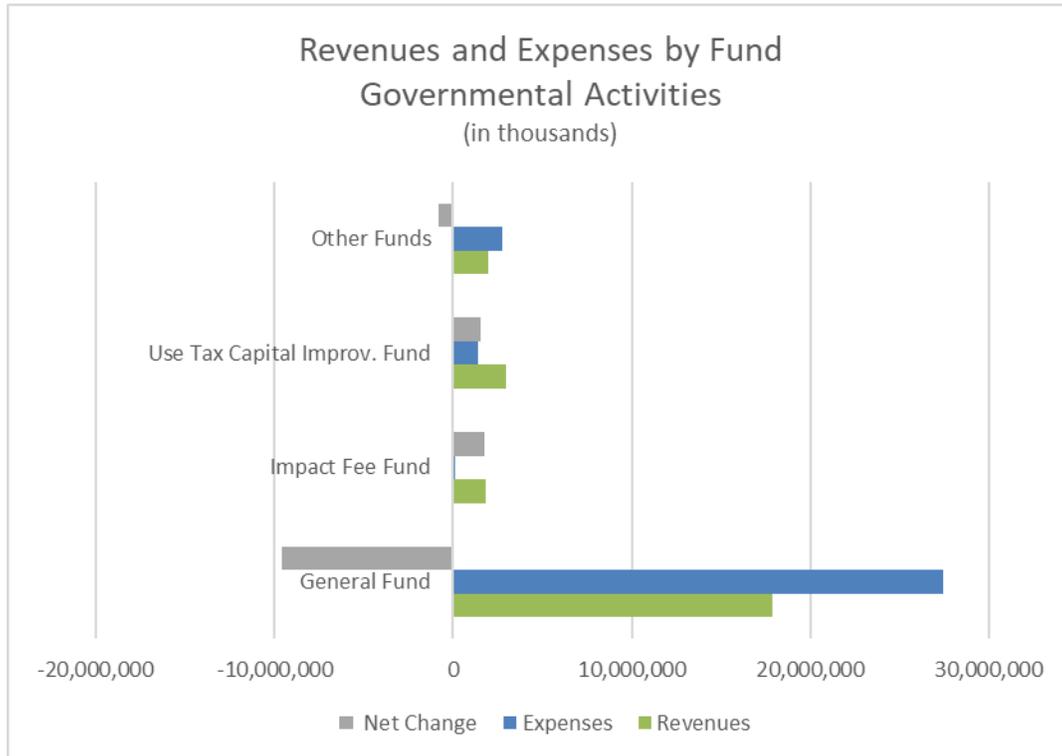
As of the end of the current fiscal year, the Town’s governmental funds reported a combined ending fund balance of \$88,326,312, a decrease of \$7,286,729. Overall revenue increased \$1.92 million or 8.4 percent. Areas of substantial revenue increase included taxes and fees \$1,496,714, miscellaneous \$1,624,967 and interest \$248,780. The General Fund revenue increases, are primarily the result of a strong economy and the resulting sales and use tax collections. The decrease in the Impact Fee Fund of \$1,242,368 was a result of shifts in residential and commercial construction in 2019 as many projects that were issued and paid for permits began in 2018 and then were completed in 2019. Despite the decrease in 2019, revenues in this fund are still considered robust as large commercial projects can have a dramatic impact on the numbers from year to year. The Use Tax Capital Improvement fund decrease of \$418,228 also illustrates the shift in residential and commercial construction. The increase in Other Governmental Funds \$832,318 are all primarily due to a strong and growing economy indicated by increases in taxes and fees and intergovernmental revenues collected.



Expenditures for the current year increased \$21,624,817 or 209%. The increase is substantial from both a numerical basis and percentage of total Governmental Fund expenses. These expenses spread across a number of various governmental funds and various operations within the General Fund. The most notable contributors to this increase were \$21,482,070 spent on design and construction of the Johnstown Recreation Center, and \$2,180,554 support to the Library. These large increases in spending have been offset by decreases in spending recognized primarily in the categories of equipment, transportation expenditures, and other miscellaneous general operating expenses

The statement of net position reports a combined net position for governmental activities of \$125,558,924, an increase of \$13,763,394. The increase is primarily attributed to an increase in capital assets, and receivables.

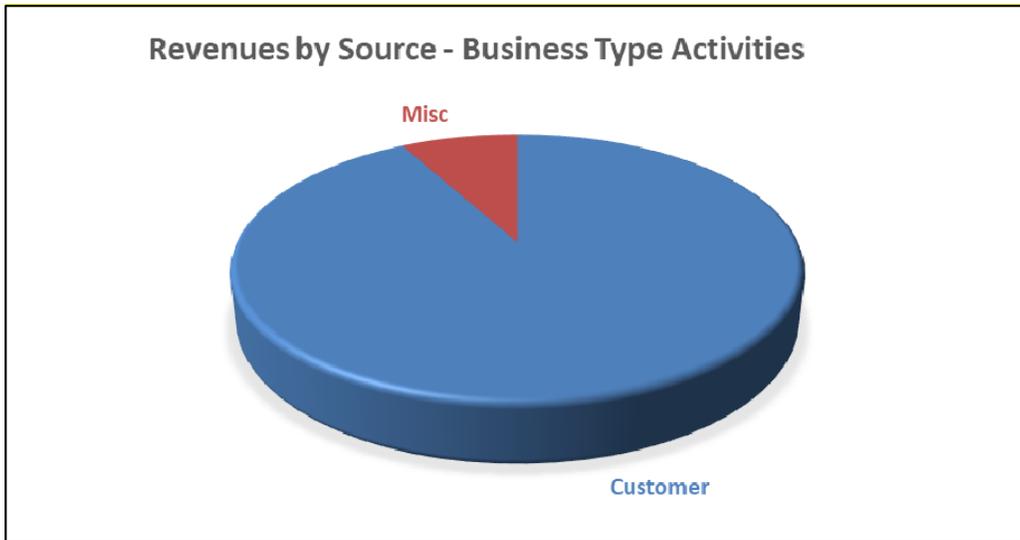
The graph below provides the program revenue and expenses (excluding transfers) for each governmental activity as well as providing net change.



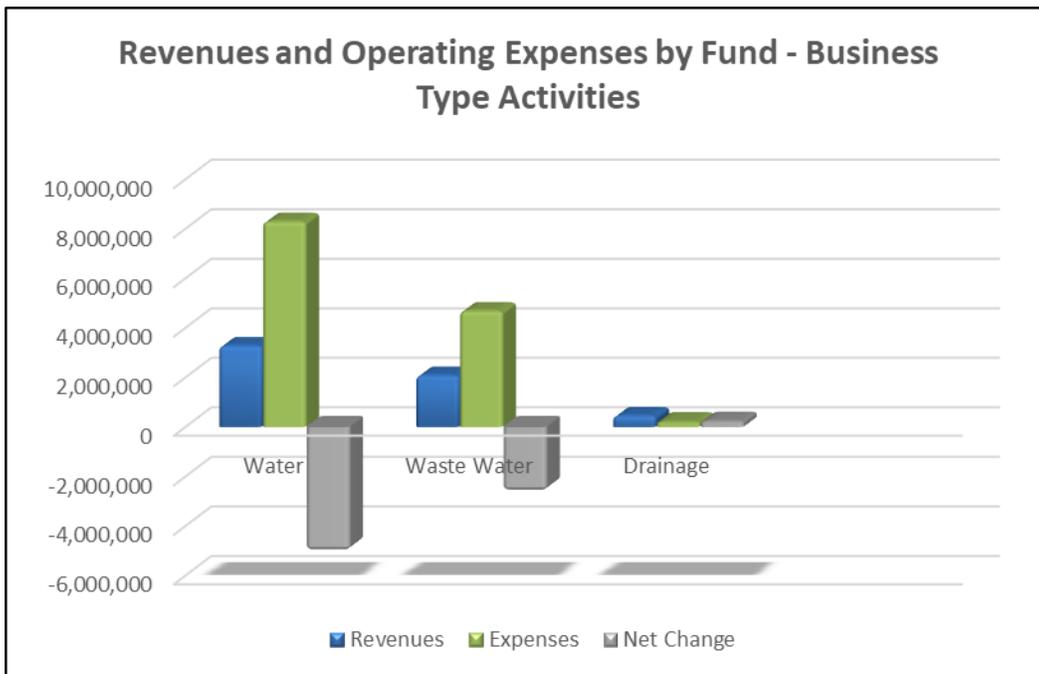
Business-type Activities. Net position of business-type activities increased by \$6.84 million primarily due to an increase in Water Fund assets. The Water Fund increased \$7,749,953, with \$4,896,000 of that amount being a prior period adjustment. The Waste Water Fund decreased \$1,228,074 and the Drainage Fund increased \$319,397. This net position is dedicated solely to finance the continuing operations of the water, waste water, and drainage operations.

Revenues for the Town's business-type activities, were \$5,805,722, a 6.5 percent decrease compared to the previous year. The decrease in revenues is largely attributed to a decrease in water sales and miscellaneous collections. Charges for services for business-type activities decreased \$18,580. Operating revenues decreased \$409,931. Operating expenses increased \$9,765,142 across all funds. Water operations increased \$6,500,078 primarily due to an expenditure of \$5,854,826 for water share purchases, increased infrastructure maintenance and a reallocation of staff. Waste water operations increased \$3,232,550 with the primary driver of that increase being \$3,145,174 spent for sewer shares. Drainage Fund operating expenses increased \$32,514.

As you can see from the following graph, the highest source of revenue for business-type activities is customer charges.



The following graph provides program revenue and expenses for each of the Business-Type activities operated by the Town.



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. In 2019, total fund balance decreased 5% or \$2,842,341. The unassigned fund

balance of the General Fund at the end of 2019, totaled \$25,547,765 while the total fund balance totaled \$49,545,879. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. For 2019, unassigned fund balance represents approximately .93 times the total General Fund Expenditures, while total fund balance represents 1.80 times that same amount. It is important to note that the General Fund Expenditure in 2019 were abnormally high due to substantial capital outlay for the construction of the new Recreation Center.

The Town budgeted for General Fund expenditures of \$41,185,349 for the year ended December 31, 2019 and actual expenditures were \$27,468,572. Expenditures were \$13,716,777 million less than budgeted as a result of capital projects that were not completed until 2020. Revenues, excluding transfers, for 2019 were budgeted at \$12,834,500 and actual revenues were \$17,911,785. Revenues from sales taxes, use taxes and permitting for new construction were much stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2019, the Town had invested \$67,786,195 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, infrastructure, vehicles and other equipment. This amount represents a net increase of \$33,696,181 or 98.8 percent increase from last year. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation expense was \$6,277,119 in the governmental activities and \$9,325,654 in the business-type activities. There have been no significant changes in the condition level of the capital assets of the Town.

Long-Term Debt

The Town's governmental funds have accrued compensated absences totaling \$57,751 at December 31, 2019.

The Town's business-type funds have accrued compensated absences totaling \$26,740 at December 31, 2019.

Additional information on the Town's long-term debt can be found in Note 5 on page 23 of this report.

Fiduciary Fund Activities

Cemetery Perpetual Fund

The fund received \$12,444 in lot sales and investment revenues and recognized no expenditures. The fund balance at December 31, 2019, is \$133,339.

Economic Factors and Next Year's Budgets and Rates

The annual budget ensures the efficient and effective uses of Town funds, as well as highlights the priority objectives. Direction for the upcoming year is established by the Council when the budget is adopted,

funds are appropriated and resources are allocated.

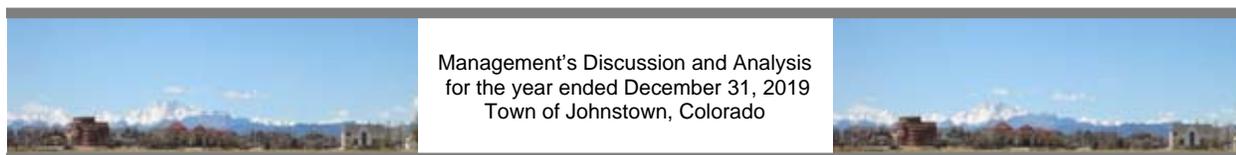
The following factors were taken into account when adopting the budget for 2020:

- The Town has forecast most revenues as relatively steady from 2019 through 2020. Revenues from property taxes are expected to increase as a result of increased development in the area, increased property values and strong oil and gas production. Revenues from sales taxes are also projected to increase as a result of strong economic growth in the area.
- The Town has conservatively forecast new growth which and the mill levy for property tax revenues has been set at 22.147.
- Expenditures exceed revenues in the General Fund by \$7,083,660. Capital projects planned for 2020 include completion of construction of the Recreation Center, equipment replacement, and improvements to the I-25 corridor. The difference between revenues and expenditures will be filled by accumulated fund balances which grew from unanticipated revenue growth and lower than expected expenditures in recent years.
- The Town's business-type activities are expected to have revenues that remain steady compared to 2019 actuals. There was no rate increase in the waste water fund or the drainage fund. There was a 5% increase in the usage rates in the water fund that go into effect January 1, 2020.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Town of Johnstown Finance Department
450 S. Parish
Johnstown, Colorado 80534
(970) 587-4664



BASIC FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2019	2018
ASSETS				
Cash and Investments	\$ 90,104,676	\$ 32,360,114	\$ 122,464,790	\$ 133,069,426
Restricted Cash and Investments	553,358	-	553,358	928,625
Receivables				
Property Taxes	9,687,597	-	9,687,597	6,369,241
Sales and Other	1,774,865	-	1,774,865	1,149,613
Accounts	-	434,213	434,213	292,813
Interfund Amounts	(21,133)	21,133	-	-
Net Pension Asset	-	-	-	132,637
Capital Assets, Not Depreciated	23,998,938	17,364,963	41,363,901	7,198,809
Capital Assets, Depreciated				
Net of Accumulated Depreciation	12,988,269	13,434,025	26,422,294	26,891,205
TOTAL ASSETS	139,086,570	63,614,448	202,701,018	176,032,369
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	429,523	-	429,523	265,200
LIABILITIES				
Accounts Payable	2,085,264	1,235,260	3,320,524	1,389,329
Retainage Payable	1,071,930	-	1,071,930	34,684
Accrued Salaries and Benefits	57,650	9,728	67,378	181,856
Developer Escrow	870,610	-	870,610	802,397
Deposits	-	90,371	90,371	122,000
Noncurrent Liabilities				
Accrued Compensated Absences	57,751	26,740	84,491	52,278
Net Pension Liability	120,358	-	120,358	-
TOTAL LIABILITIES	4,263,563	1,362,099	5,625,662	2,582,544
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	6,009	-	6,009	139,181
Deferred Property Tax Revenue	9,687,597	-	9,687,597	6,369,241
TOTAL DEFERRED INFLOWS OF RESOURCES	9,693,606	-	9,693,606	6,508,422
NET POSITION				
Net Investment in Capital Assets	36,987,207	30,798,988	67,786,195	34,090,014
Restricted for Emergencies	745,000	-	745,000	685,000
Unrestricted	87,826,717	31,453,361	119,280,078	132,431,589
TOTAL NET POSITION	\$ 125,558,924	\$ 62,252,349	\$ 187,811,273	\$ 167,206,603

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

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,738,101	\$ 1,360,466	\$ -	\$ -
Public Safety	2,571,428	214,125	-	-
Public Works	3,930,808	1,827,884	-	775,350
Health and Welfare	71,959	-	-	-
Culture and Recreation	2,566,348	44,000	838,493	90,739
Total Governmental Activities	<u>10,878,644</u>	<u>3,446,475</u>	<u>838,493</u>	<u>866,089</u>
Business-Type Activities				
Water	8,294,187	3,280,088	-	7,200,881
Wastewater	4,685,053	2,080,044	-	1,174,298
Drainage	216,764	445,590	-	-
Total Business-Type Activities	<u>13,196,004</u>	<u>5,805,722</u>	<u>-</u>	<u>8,375,179</u>
Total Primary Government	<u>\$ 24,074,648</u>	<u>\$ 9,252,197</u>	<u>\$ 838,493</u>	<u>\$ 9,241,268</u>

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

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	TOTALS	
		2019	2018
\$ (377,635)	\$ -	\$ (377,635)	\$ 72,003
(2,357,303)	-	(2,357,303)	(2,068,084)
(1,327,574)	-	(1,327,574)	1,436,104
(71,959)	-	(71,959)	(72,130)
(1,593,116)	-	(1,593,116)	191,892
(5,727,587)	-	(5,727,587)	(440,215)
-	2,186,782	2,186,782	3,423,896
-	(1,430,711)	(1,430,711)	660,477
-	228,826	228,826	324,367
-	984,897	984,897	4,408,740
(5,727,587)	984,897	(4,742,690)	3,968,525
8,567,197	-	8,567,197	7,701,193
6,832,671	-	6,832,671	6,635,104
481,407	-	481,407	465,561
616,517	-	616,517	199,220
1,755,082	855,379	2,610,461	1,570,467
1,343,107	-	1,343,107	38,195
(105,000)	105,000	-	-
19,490,981	960,379	20,451,360	16,609,740
13,763,394	1,945,276	15,708,670	20,578,265
-	4,896,000	4,896,000	-
111,795,530	55,411,073	167,206,603	146,628,338
<u>\$ 125,558,924</u>	<u>\$ 62,252,349</u>	<u>\$ 187,811,273</u>	<u>\$ 167,206,603</u>

TOWN OF JOHNSTOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	General Fund	Impact Fee Fund	Use Tax Capital Improvement Fund	Other Governmental Funds
ASSETS				
Cash and Investments	\$ 51,161,399	\$ 20,111,599	\$ 12,542,506	\$ 6,289,172
Restricted Cash and Investments	553,358	-	-	-
Taxes Receivable	9,687,597	-	-	-
Accounts Receivable	1,591,365	-	153,600	29,900
Due from Other Funds	-	-	3,789	3,743
TOTAL ASSETS	\$ 62,993,719	\$ 20,111,599	\$ 12,699,895	\$ 6,322,815
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 1,764,597	\$ -	\$ 15,101	\$ 305,566
Retainage Payable	1,071,930	-	-	-
Accrued Liabilities	28,230	-	-	29,420
Developer Escrows and Deposits	870,610	-	-	-
Due to Other Funds	24,876	-	-	3,789
TOTAL LIABILITIES	3,760,243	-	15,101	338,775
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	9,687,597	-	-	-
FUND EQUITY				
Fund Balance				
Restricted for Emergencies	745,000	-	-	-
Restricted for Culture and Recreation	-	-	-	3,481,692
Restricted for Parks & Recreation	-	-	-	1,951,968
Restricted for Capital Improvements	-	20,111,599	12,684,794	95,951
Restricted for Cemetery Maintenance	-	-	-	133,339
Committed to I-25 Interchange Improvements	6,000,000	-	-	-
Committed for Capital Improvements	-	-	-	321,090
Committed for Contingencies	2,235,008	-	-	-
Committed for Equipment Replacement	4,481,746	-	-	-
Committed for Recreation Center	10,536,360	-	-	-
Unassigned	25,547,765	-	-	-
TOTAL FUND EQUITY	49,545,879	20,111,599	12,684,794	5,984,040
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 62,993,719	\$ 20,111,599	\$ 12,699,895	\$ 6,322,815

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.

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 (\$57,751), Net Pension Liability (\$120,358), Deferred Outflows Related to Pensions \$429,523 and Deferred Inflows Related to Pensions of (\$6,009).

Net position of governmental activities

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

Total Governmental
Funds

2019	2018
\$ 90,104,676	\$ 95,464,148
553,358	928,625
9,687,597	6,369,241
1,774,865	1,149,613
7,532	7,532
<u>\$ 102,128,028</u>	<u>\$ 103,919,159</u>

\$ 2,085,264	\$ 938,409
1,071,930	34,684
57,650	132,722
870,610	802,397
28,665	28,665
<u>4,114,119</u>	<u>1,936,877</u>

<u>9,687,597</u>	<u>6,369,241</u>
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745,000	685,000
3,481,692	2,477,604
1,951,968	1,652,161
32,892,344	31,923,936
133,339	120,895
6,000,000	4,000,000
321,090	300,225
2,235,008	1,964,383
4,481,746	3,556,886
10,536,360	26,368,430
<u>25,547,765</u>	<u>22,563,521</u>
<u>88,326,312</u>	<u>95,613,041</u>

36,987,207	15,960,492
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<u>245,405</u>	<u>221,997</u>
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<u>\$ 125,558,924</u>	<u>\$ 111,795,530</u>
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TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	General Fund	Impact Fee Fund	Use Tax Capital Improvement Fund	Other Governmental Funds
REVENUES				
Taxes and Fees	\$ 13,640,275	\$ -	\$ 2,494,251	\$ 363,266
Licenses and Permits	577,879	1,469,278	-	44,000
Intergovernmental	900,096	-	-	804,486
Charges for Services	782,587	-	-	358,606
Fines and Forfeitures	214,125	-	-	-
Interest Income	774,643	393,135	476,755	110,549
Miscellaneous	1,022,180	-	-	320,927
TOTAL REVENUES	<u>17,911,785</u>	<u>1,862,413</u>	<u>2,971,006</u>	<u>2,001,834</u>
EXPENDITURES				
General Government	1,541,510	-	-	-
Public Safety	2,377,020	58,377	-	-
Public Works	1,598,277	36,568	1,567,069	339,852
Health and Welfare	71,959	-	-	-
Culture and Recreation	254,439	-	-	2,292,646
Capital Outlay	21,625,367	23,193	-	142,490
TOTAL EXPENDITURES	<u>27,468,572</u>	<u>118,138</u>	<u>1,567,069</u>	<u>2,774,988</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,556,787)</u>	<u>1,744,275</u>	<u>1,403,937</u>	<u>(773,154)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	9,000,000	-	-	2,180,554
Transfers Out	(2,285,554)	-	(8,000,000)	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,714,446</u>	<u>-</u>	<u>(8,000,000)</u>	<u>1,180,554</u>
NET CHANGE IN FUND BALANCES	<u>(2,842,341)</u>	<u>1,744,275</u>	<u>(6,596,063)</u>	<u>407,400</u>
FUND BALANCES, Beginning	<u>52,388,220</u>	<u>18,367,324</u>	<u>19,280,857</u>	<u>5,576,640</u>
FUND BALANCES, Ending	<u>\$ 49,545,879</u>	<u>\$ 20,111,599</u>	<u>\$ 12,684,794</u>	<u>\$ 5,984,040</u>

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

Total Governmental
Funds

2019	2018
\$ 16,497,792	\$ 15,001,078
2,091,157	3,747,138
1,704,582	1,613,314
1,141,193	1,086,333
214,125	145,413
1,755,082	1,094,327
1,343,107	130,115
<u>24,747,038</u>	<u>22,817,718</u>
1,541,510	1,368,025
2,435,397	2,162,821
3,541,766	2,625,050
71,959	72,130
2,547,085	843,258
<u>21,791,050</u>	<u>3,232,666</u>
<u>31,928,767</u>	<u>10,303,950</u>
<u>(7,181,729)</u>	<u>12,513,768</u>
11,180,554	2,700,000
<u>(11,285,554)</u>	<u>(2,821,416)</u>
<u>(105,000)</u>	<u>(121,416)</u>
(7,286,729)	12,392,352
<u>95,613,041</u>	<u>83,220,689</u>
<u>\$ 88,326,312</u>	<u>\$ 95,613,041</u>

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, 2019

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (7,286,729)
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 capital outlay \$21,617,045 exceeded depreciation expense (\$590,330), in the current year.	21,026,715
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 the change in accrued compensated absences.	(21,092)
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>44,500</u>
Change in Net Position of Governmental Activities	<u>\$ 13,763,394</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, 2019

ASSETS	WATER	WASTE	DRAINAGE	TOTALS	
	FUND	FUND	FUND	2019	2018
Current Assets					
Cash and Investments	\$ 19,765,629	\$ 9,346,239	\$ 3,248,246	\$ 32,360,114	\$ 37,605,278
Accounts Receivable, net	228,866	169,181	36,166	434,213	292,813
Inventory	-	-	-	-	-
Due from Other Funds	-	-	21,133	21,133	21,133
Total Current Assets	19,994,495	9,515,420	3,305,545	32,815,460	37,919,224
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	24,880,572	5,648,091	270,325	30,798,988	18,129,522
TOTAL ASSETS	44,875,067	15,163,511	3,575,870	63,614,448	56,048,746
LIABILITIES					
Current Liabilities					
Accounts Payable	1,118,364	115,922	974	1,235,260	450,920
Accrued Expenses	4,116	4,000	1,612	9,728	49,134
Accrued Compensated Absences	10,812	13,400	2,528	26,740	15,619
Total Current Liabilities	1,133,292	133,322	5,114	1,271,728	515,673
Noncurrent Liabilities					
Deposits	90,371	-	-	90,371	122,000
Total Noncurrent Liabilities	90,371	-	-	90,371	122,000
TOTAL LIABILITIES	1,223,663	133,322	5,114	1,362,099	637,673
NET POSITION					
Net Investment in Capital Assets	24,880,572	5,648,091	270,325	30,798,988	18,129,522
Unrestricted	18,770,832	9,382,098	3,300,431	31,453,361	37,281,551
TOTAL NET POSITION	\$ 43,651,404	\$ 15,030,189	\$ 3,570,756	\$ 62,252,349	\$ 55,411,073

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, 2019

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2019	2018
OPERATING REVENUES					
Charges for Services	\$ 2,851,682	\$ 2,045,675	\$ 445,590	\$ 5,342,947	\$ 5,361,527
Miscellaneous	428,406	34,369	-	462,775	854,126
TOTAL OPERATING REVENUES	3,280,088	2,080,044	445,590	5,805,722	6,215,653
OPERATING EXPENSES					
Administration	6,196,252	264,017	92,670	6,552,939	536,582
Operations	1,747,519	4,206,723	118,342	6,072,584	2,356,727
Depreciation	350,416	214,313	5,752	570,481	537,553
TOTAL OPERATING EXPENSES	8,294,187	4,685,053	216,764	13,196,004	3,430,862
OPERATING INCOME	(5,014,099)	(2,605,009)	228,826	(7,390,282)	2,784,791
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	562,171	202,637	90,571	855,379	476,140
TOTAL NON-OPERATING REVENUES (EXPENSES)	562,171	202,637	90,571	855,379	476,140
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(4,451,928)	(2,402,372)	319,397	(6,534,903)	3,260,931
Capital Contributions	7,200,881	1,174,298	-	8,375,179	1,623,949
Transfers In	105,000	-	-	105,000	121,416
NET INCOME	2,853,953	(1,228,074)	319,397	1,945,276	5,006,296
NET POSITION, Beginning	35,901,451	16,258,263	3,251,359	55,411,073	50,404,777
Prior Period Adjustment	4,896,000	-	-	4,896,000	-
NET POSITION, Beginning, as restated	40,797,451	16,258,263	3,251,359	60,307,073	50,404,777
NET POSITION, Ending	\$ 43,651,404	\$ 15,030,189	\$ 3,570,756	\$ 62,252,349	\$ 55,411,073

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, 2019

Increase (Decrease) in Cash and Cash Equivalents

	WATER	WASTE	DRAINAGE	TOTALS	
	FUND	FUND	FUND	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 3,151,252	\$ 2,069,157	\$ 443,912	\$ 5,664,321	\$ 6,326,506
Cash Paid to Suppliers	(8,351,817)	(4,707,840)	(212,811)	(13,272,468)	(2,564,015)
Net Cash Provided by Operating Activities	<u>(5,200,565)</u>	<u>(2,638,683)</u>	<u>231,101</u>	<u>(7,608,147)</u>	<u>3,762,491</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(312,272)	(628,674)	-	(940,946)	(1,976,237)
Capital Contributions	1,200,881	1,174,298	-	2,375,179	1,623,949
Deposits from Customers	(31,629)	-	-	(31,629)	90,193
Payments from Other Funds	105,000	-	-	105,000	121,416
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>961,980</u>	<u>545,624</u>	<u>-</u>	<u>1,507,604</u>	<u>(140,679)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	562,171	202,637	90,571	855,379	476,140
Net Cash Provided by Investing Activities	<u>562,171</u>	<u>202,637</u>	<u>90,571</u>	<u>855,379</u>	<u>476,140</u>
Net Increase in Cash and Cash Equivalents	(3,676,414)	(1,890,422)	321,672	(5,245,164)	4,097,952
CASH AND INVESTMENTS, Beginning	<u>23,442,043</u>	<u>11,236,661</u>	<u>2,926,574</u>	<u>37,605,278</u>	<u>33,507,326</u>
CASH AND INVESTMENTS, Ending	<u>\$ 19,765,629</u>	<u>\$ 9,346,239</u>	<u>\$ 3,248,246</u>	<u>\$ 32,360,114</u>	<u>\$ 37,605,278</u>
OPERATING ACTIVITIES					
Operating Income	<u>\$ (5,014,099)</u>	<u>\$ (2,605,009)</u>	<u>\$ 228,826</u>	<u>\$ (7,390,282)</u>	<u>\$ 2,784,791</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	350,416	214,313	5,752	570,481	537,553
Changes in Assets and Liabilities					
Accounts Receivable	(128,836)	(10,887)	(1,678)	(141,401)	110,853
Inventory	-	-	-	-	2,497
Accounts Payable	(397,268)	(221,366)	(26)	(618,660)	304,018
Accrued Expenses	(14,699)	(20,406)	(4,301)	(39,406)	24,203
Accrued Compensated Absences	3,921	4,672	2,528	11,121	(1,424)
Total Adjustments	<u>(186,466)</u>	<u>(33,674)</u>	<u>2,275</u>	<u>(217,865)</u>	<u>977,700</u>
Net Cash Provided by Operating Activities	<u>\$ (5,200,565)</u>	<u>\$ (2,638,683)</u>	<u>\$ 231,101</u>	<u>\$ (7,608,147)</u>	<u>\$ 3,762,491</u>

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019

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, 2019

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, 2019

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 acquisition 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, 2019

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, 2019

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, 2019, 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, 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, equipment replacement, and the construction of a Town recreation center. The Town also reports unspent balances in the Street Maintenance Fund as committed for capital improvements.
- 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, 2019

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.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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.
- 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.

State Compliance

At December 31, 2019 actual expenditures in the Library Fund exceeded budgeted amounts by \$690,637. This may be a violation of State statute.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2019 follows:

Petty Cash	\$	866
Cash Deposits		17,516,160
Investments		<u>105,501,122</u>
Total		<u>\$ 123,018,148</u>

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

Governmental Activities - Unrestricted	\$	90,104,676
Governmental Activities – Restricted		553,358
Business-type Activities- Unrestricted		<u>32,360,114</u>
Total		<u>\$ 123,018,148</u>

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, 2019, 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, 2019, the Town had deposits with financial institutions with a carrying amount of \$17,516,160. The bank balances with the financial institutions were \$19,594,568. Of these balances, \$290,592 was covered by federal depository insurance and \$19,303,976 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments

As of December 31, 2019, the Town had the following investments and maturities:

<u>Type of Investment</u>	Fair Value	Maturities (in Years)	
		0 – 1 Years	1 – 5 Years
U.S. Government Securities	\$ 19,090,929	\$ 12,015,694	\$ 7,075,235
U.S. Government Agencies	12,916,518	6,003,484	6,913,034
Corporate Bonds	3,796,515	1,783,769	2,012,746
Money Market Funds	4,797,379	4,797,379	-
Local Government Investment Pools	<u>64,899,781</u>	<u>64,899,781</u>	<u>-</u>
Total	<u>\$ 105,501,122</u>	<u>\$ 89,500,107</u>	<u>\$ 16,001,015</u>

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, 2019, 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 Bonds ratings range from A1 to Aa3 by Moody's Investors.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools

The Town had invested \$16,613,761 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and 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 pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Town had invested \$48,286,020 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates 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.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools (Continued)

The Town invested \$4,797,379 in a Money Market Mutual Fund. The Fund invests only in government securities as defined under the Investment Company Act of 1940 (the “1940 Act”), as amended. The Fund intends to be a government money market fund as defined under Rule 2a-7 under the 1940 Act. The fair value of investments in the fund is based on the published net asset values per share of those funds and is maintained at a stable net asset value of \$1.00 per share. The fund values its securities using amortized cost.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

At December 31, 2019, the Town held investments in U.S. Government Securities and U.S. Government Agencies in the amount of \$19,090,929 and \$12,916,518, respectively, with maturity dates of less than one and four years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

The Town held investments in Commercial Bonds in the amount of \$3,796,515 with maturity dates of less than one and five years. These investments are valued with Level 1 inputs.

Restricted Cash and Investments

Cash and Investment in the amount of \$553,358 are restricted in the General Fund for developer and escrow deposits.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2019 is summarized below:

	<u>Balances</u> <u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/19</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,099,633	\$ -	\$ -	\$ 1,099,633
Construction in Progress	<u>1,515,838</u>	<u>21,383,467</u>	<u>-</u>	<u>22,899,305</u>
Total Capital Assets, not depreciated	<u>2,615,471</u>	<u>21,383,467</u>	<u>-</u>	<u>23,998,938</u>
Capital Assets, depreciated				
Buildings	9,796,183	-	-	9,796,183
Improvements	3,180,978	-	-	3,180,978
Infrastructure	1,717,896	47,190	-	1,765,086
Equipment	<u>4,336,753</u>	<u>186,388</u>	<u>-</u>	<u>4,523,141</u>
Total Capital Assets, depreciated	<u>19,031,810</u>	<u>233,578</u>	<u>-</u>	<u>19,265,388</u>
Less Accumulated Depreciation				
Buildings	2,199,852	193,322	-	2,393,174
Improvements	824,108	62,761	-	886,869
Infrastructure	68,715	35,302	-	104,017
Equipment	<u>2,594,114</u>	<u>298,945</u>	<u>-</u>	<u>2,893,059</u>
Total Accumulated Depreciation	<u>5,686,789</u>	<u>590,330</u>	<u>-</u>	<u>6,277,119</u>
Total Capital Assets, depreciated, Net	<u>13,345,021</u>	<u>(356,752)</u>	<u>-</u>	<u>12,988,269</u>
Governmental Activities, Capital Assets, Net	<u>\$ 15,960,492</u>	<u>\$ 21,026,715</u>	<u>\$ -</u>	<u>\$ 36,987,207</u>

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

Governmental Activities

General Government	\$ 175,499
Public Safety	180,531
Public Works	215,037
Culture and Recreation	<u>19,263</u>
Total	<u>\$ 590,330</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 12/31/18 <u>(as restated)</u>	<u>Additions</u>	<u>Deletions</u>	Balances 12/31/19
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 72,405	\$ -	\$ -	\$ 72,405
Water Rights	10,751,249	6,000,000	-	16,751,249
Construction in Progress	<u>58,684</u>	<u>541,309</u>	<u>58,684</u>	<u>541,309</u>
Total Capital Assets, not depreciated	<u>10,882,338</u>	<u>6,541,309</u>	<u>58,684</u>	<u>17,364,963</u>
Capital Assets, depreciated				
Utility Systems	21,603,792	-	-	21,603,792
Equipment	<u>697,565</u>	<u>458,322</u>	<u>-</u>	<u>1,155,887</u>
Total Capital Assets, depreciated	<u>22,301,357</u>	<u>458,322</u>	<u>-</u>	<u>22,759,679</u>
Less: Accumulated Depreciation				
Utility Systems	8,622,080	501,288	-	9,123,368
Equipment	<u>133,093</u>	<u>69,193</u>	<u>-</u>	<u>202,286</u>
Total Accumulated Depreciation	<u>8,755,173</u>	<u>570,481</u>	<u>-</u>	<u>9,325,654</u>
Total Capital Assets, depreciated, Net	<u>13,546,184</u>	<u>(112,159)</u>	<u>-</u>	<u>13,434,025</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 24,428,522</u>	<u>\$ 6,429,150</u>	<u>\$ 58,684</u>	<u>\$ 30,798,988</u>

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

Business-type Activities

Water Fund	\$ 350,416
Wastewater Fund	214,313
Drainage Fund	<u>5,752</u>
Total	<u>\$ 570,481</u>

The Town has determined that it has received various capital contributions in the form of water rights through various agreements with developers over the years. The Town is unable to determine the quantity and fair value at the time the ownership was transferred to the Town, and therefore has not capitalized these water rights. During the year ended, December 31, 2019, the Town has determined the fair value of water rights and water shares previously owed in the amount of \$6,299,000 and has restated prior balances to recognize the acquisitions from previous years. The Town will be continuing its process of determining the fair value of additional water rights and shares owned during the year ended December 31, 2020.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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, 2019.

	Balance <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/19</u>	Due In <u>One Year</u>
Accrued Compensated Absences	\$ <u>36,659</u>	\$ <u>21,092</u>	\$ <u>-</u>	\$ <u>57,751</u>	\$ <u>-</u>

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, 2019.

	Balance <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/19</u>	Due In <u>One Year</u>
Accrued Compensated Absences	\$ <u>15,619</u>	\$ <u>11,121</u>	\$ <u>-</u>	\$ <u>26,740</u>	\$ <u>-</u>

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

NOTE 6: INTERFUND AMOUNTS

As of December 31, 2019, 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
Drainage Fund	General Fund	<u>21,133</u>
Total		<u>\$ 28,665</u>

At December 31, 2019, these amounts are owed between funds due to timing differences related to receipts and disbursements.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: INTERFUND AMOUNTS (Continued)

Interfund transfers for the year ended December 31, 2019, were comprised of the following:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Water Fund	\$ 105,000
General Fund	Library Fund	2,180,554
Conservation Trust Fund	General Fund	1,000,000
Use Tax Capital Improvement Fund	General Fund	<u>8,000,000</u>
Total		<u>\$ 11,285,554</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 from the Conservation Trust Fund and the Use Tax Capital Improvement Fund were made to assist with the recreation center capital improvements. These transfers are budgeted annually.

NOTE 7: TAX ABATEMENTS

Johnson's Corner Annexation Agreement

The Town entered into the Johnson's Corner Annexation Agreement with the owners of Johnson's Corner under the Municipal Annexation Act, Part 1 of Article 12 of Title 31 of the Colorado Revised Statutes ("C.R.S"). In exchange for the real property annexed by the Town and for the purpose of paying for certain improvements needed to service the property, the Town agreed reimburse 1% of the amount of all sales and use taxes collected from taxable activities on the property to the owners. The original annexation agreement was entered into on June 7, 1999, with an expiration of 15 years from the date of annexation. In 2008, the Town amended this agreement to extend the tax credit for an additional 5 years. During the year ended December 31, 2019, the Town reimbursed sales taxes to the owners of the Johnson's Corner Property in the amount of \$114,095.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 7: TAX ABATEMENTS (Continued)

WRFG Annexation Agreement

The Town entered into the WRFG Annexation Agreement, for the 2534 Development (the commercial properties along State Highway 34) under the Municipal Annexation Act, Part 1 of Article 12 of Title 31 of the Colorado Revised Statutes (“C.R.S”). In exchange for the real property annexed by the Town and for the purpose of paying for certain improvements needed to service the property, the Town has agreed to reimburse 1% of sales and use taxes to the owners of the 2534 Development. This agreement was entered into on December 14, 2000, with an expiration of 25 years from the date of the annexation. For the year ended December 31, 2019, the Town reimbursed sales taxes to the owners of the 2534 Development property in the amount of \$388,766.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Town contributes to 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.

The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

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>.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

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.

Members of the SWDB Plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. 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 reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

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 5 and 4 percent, respectively, of base salary for a total contribution rate of 9 percent in 2018. 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.

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

At December 31, 2019 the Town reported a net pension liability in the amount of \$120,358 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2018 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2018, the Town's proportion was 0.09520%, which was an increase of 0.00300% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019 the Town recognized pension expense of \$13,087. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$154,650	\$1,286
Net difference between projected and actual earnings on pension plan investments	\$94,680	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$6,043	\$4,723
Change in assumptions and other inputs	\$116,563	N/A
Contributions subsequent to the measurement date	\$57,587	N/A
Total	\$429,523	\$6,009

\$57,587 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, 2019. 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	
2020	69,396
2021	\$49,631
2022	\$42,301
2023	\$69,836
2024	\$34,121
Thereafter	\$100,642

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumptions and other inputs:

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Total Pension Liability:

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.00 – 14.00 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA'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, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Illiquid Alternatives	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

The discount rate used to measure the total pension liability was 7.00 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).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (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 7.00%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$466,734	\$120,358	(\$166,955)

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>.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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 vested. The Town contributed \$83,629 and \$217,856 to the plan for the years ended December 31, 2018 and 2019 respectively, equal to the required contribution.

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, 2019, the emergency reserve of \$745,000 was recorded in the General Fund.

NOTE 12: SUBSEQUENT EVENT

COVID-19

As a result of the 2020 novel coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the Town. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2019

	2019			VARIANCE	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes and Fees	\$ 10,722,500	\$ 10,722,500	\$ 13,640,275	\$ 2,917,775	\$ 11,695,694
Licenses and Permits	499,000	499,000	577,879	78,879	807,291
Intergovernmental	630,800	630,800	900,096	269,296	1,148,846
Charges for Services	697,100	697,100	782,587	85,487	751,504
Fines and Forfeitures	143,600	143,600	214,125	70,525	145,413
Interest Income	103,500	103,500	774,643	671,143	542,811
Miscellaneous	38,000	38,000	1,022,180	984,180	62,628
TOTAL REVENUES	12,834,500	12,834,500	17,911,785	5,077,285	15,154,187
EXPENDITURES					
General Government	1,481,400	1,968,052	1,541,510	426,542	1,368,025
Public Safety	2,619,900	2,698,965	2,377,020	321,945	2,151,841
Public Works	1,549,900	1,577,032	1,598,277	(21,245)	1,380,547
Health and Welfare	76,400	76,400	71,959	4,441	72,130
Culture and Recreation	539,000	539,000	254,439	284,561	230,455
Capital Outlay	32,161,000	32,161,000	21,625,367	10,535,633	2,875,276
Contingencies	2,164,900	2,164,900	-	2,164,900	-
TOTAL EXPENDITURES	40,592,500	41,185,349	27,468,572	13,716,777	8,078,274
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,758,000)	(28,350,849)	(9,556,787)	18,794,062	7,075,913
OTHER FINANCING SOURCES (USES)					
Transfers In	4,000,000	4,000,000	9,000,000	5,000,000	2,250,000
Transfers Out	(21,768,500)	(23,476,554)	(2,285,554)	21,191,000	(571,416)
TOTAL OTHER FINANCING SOURCES (USES)	(17,768,500)	(19,476,554)	6,714,446	26,191,000	1,678,584
NET CHANGE IN FUND BALANCE	(45,526,500)	(47,827,403)	(2,842,341)	44,985,062	8,754,497
FUND BALANCES, Beginning	74,865,600	74,865,600	52,388,220	(22,477,380)	43,633,723
FUND BALANCE, Ending	\$ 29,339,100	\$ 27,038,197	\$ 49,545,879	\$ 22,507,682	\$ 52,388,220

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

IMPACT FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019			VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Licenses and Permits	\$ 855,000	\$ 855,000	\$ 1,469,278	\$ 614,278	\$ 2,877,847
Interest Income	100,000	100,000	393,135	293,135	226,934
TOTAL REVENUES	955,000	955,000	1,862,413	907,413	3,104,781
EXPENDITURES					
Public Safety	41,000	122,275	58,377	63,898	10,980
Public Works	60,000	561,804	36,568	525,236	202,520
Capital Outlay	-	-	23,193	(23,193)	92,411
TOTAL EXPENDITURES	101,000	684,079	118,138	565,941	305,911
NET CHANGE IN FUND BALANCE	854,000	270,921	1,744,275	1,473,354	2,798,870
FUND BALANCE, Beginning	17,692,700	17,692,700	18,367,324	674,624	15,568,454
FUND BALANCE, Ending	<u>\$ 18,546,700</u>	<u>\$ 17,963,621</u>	<u>\$ 20,111,599</u>	<u>\$ 2,147,978</u>	<u>\$ 18,367,324</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

USE TAX CAPITAL IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019			VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 2,494,251	\$ 1,294,251	\$ 3,069,456
Developer Reimbursement	15,000	15,000	-	(15,000)	34,040
Interest Income	100,000	100,000	476,755	376,755	285,738
TOTAL REVENUES	1,315,000	1,315,000	2,971,006	1,656,006	3,389,234
EXPENDITURES					
Public Works	873,500	1,743,548	1,567,069	176,479	767,774
Capital Outlay	1,100,000	1,100,000	-	1,100,000	-
TOTAL EXPENDITURES	1,973,500	2,843,548	1,567,069	1,276,479	767,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(658,500)	(1,528,548)	1,403,937	2,932,485	2,621,460
OTHER FINANCING USES					
Transfers In	-	-	-	-	-
Transfers Out	(8,000,000)	(8,000,000)	(8,000,000)	-	(2,250,000)
TOTAL OTHER FINANCING USES	(8,000,000)	(8,000,000)	(8,000,000)	-	(2,250,000)
NET CHANGE IN FUND BALANCES	(8,658,500)	(9,528,548)	(6,596,063)	2,932,485	371,460
FUND BALANCES, Beginning	19,456,800	19,456,800	19,280,857	(175,943)	18,909,397
FUND BALANCES, Ending	\$ 10,798,300	\$ 9,928,252	\$ 12,684,794	\$ 2,756,542	\$ 19,280,857

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>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.098%	0.095%	0.092%	0.098%	0.092%	0.095%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (87,606)	\$ (107,336)	\$ (1,619)	\$ 35,231	\$ (132,637)	\$ 120,358
Town's covered payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-10.3%	-12.4%	-0.2%	3.5%	-12.8%	9.4%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%

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>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorily required contributions	34,043	\$ 34,216	\$ 36,443	\$ 39,919	\$ 41,450	\$ 51,016	\$ 57,587
Contributions in relation to the Statutorily required contributions	<u>34,043</u>	<u>34,216</u>	<u>36,443</u>	<u>39,919</u>	<u>41,450</u>	<u>51,016</u>	<u>57,587</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Town's covered payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103	\$ 1,439,700
Contributions as a percentage of covered payroll	3.99%	3.94%	4.00%	4.00%	3.98%	3.99%	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, 2019

	SPECIAL REVENUE				
	LIBRARY FUND	CEMETERY FUND	STREET MAINTENANCE FEE FUND	JOHNSON'S CORNER CAPITAL FUND	CONSERVATION TRUST FUND
ASSETS					
Cash and Investments	\$ 3,790,738	\$ 133,339	\$ 291,190	\$ 121,937	\$ 1,951,968
Accounts Receivable	-	-	29,900	-	-
Due from Other Funds	-	-	-	3,743	-
TOTAL ASSETS	<u>\$ 3,790,738</u>	<u>\$ 133,339</u>	<u>\$ 321,090</u>	<u>\$ 125,680</u>	<u>\$ 1,951,968</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 305,566	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	3,480	-	-	25,940	-
Due to Other Funds	-	-	-	3,789	-
TOTAL LIABILITIES	<u>309,046</u>	<u>-</u>	<u>-</u>	<u>29,729</u>	<u>-</u>
FUND EQUITY					
Fund Balance					
Restricted for Culture and Recreation	3,481,692	-	-	-	-
Restricted for Parks & Recreation	-	-	-	-	1,951,968
Restricted for Capital Improvements	-	-	-	95,951	-
Restricted for Cemetery Maintenance	-	133,339	-	-	-
Committed for Capital Improvements	-	-	321,090	-	-
Committed for Recreation Center	-	-	-	-	-
TOTAL FUND EQUITY	<u>3,481,692</u>	<u>133,339</u>	<u>321,090</u>	<u>95,951</u>	<u>1,951,968</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,790,738</u>	<u>\$ 133,339</u>	<u>\$ 321,090</u>	<u>\$ 125,680</u>	<u>\$ 1,951,968</u>

See the accompanying independent auditors' report.

TOTALS

<u>2019</u>	<u>2018</u>
\$ 6,289,172	\$ 5,560,235
29,900	28,162
<u>3,743</u>	<u>3,743</u>
<u>\$ 6,322,815</u>	<u>\$ 5,592,140</u>

\$ 305,566	\$ -
29,420	11,711
<u>3,789</u>	<u>3,789</u>
<u>338,775</u>	<u>15,500</u>

3,481,692	2,477,604
1,951,968	1,652,161
95,951	25,755
133,339	120,895
321,090	300,225
<u>-</u>	<u>1,000,000</u>
<u>5,984,040</u>	<u>5,576,640</u>

<u>\$ 6,322,815</u>	<u>\$ 5,592,140</u>
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TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2019

	SPECIAL REVENUE				
	LIBRARY FUND	CEMETERY FUND	STREET MAINTENANCE FEE FUND	JOHNSON'S CORNER CAPITAL FUND	CONSERVATION TRUST FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 200,146	\$ 163,120
Charges for Services	-	-	358,606	-	-
Licenses and Permits	-	-	-	-	44,000
Intergovernmental	713,748	-	-	-	90,738
Interest Income	58,886	3,252	2,111	41	46,259
Miscellaneous	311,537	9,192	-	-	198
TOTAL REVENUES	1,084,171	12,444	360,717	200,187	344,315
EXPENDITURES					
Public Works	-	-	339,852	-	-
Culture and Recreation	2,260,637	-	-	-	32,009
Capital Outlay	-	-	-	129,991	12,499
TOTAL EXPENDITURES	2,260,637	-	339,852	129,991	44,508
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,176,466)	12,444	20,865	70,196	299,807
OTHER FINANCING SOURCES (USES)					
Transfers In	2,180,554	-	-	-	-
Transfers Out	-	-	-	-	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,180,554	-	-	-	(1,000,000)
NET CHANGE IN FUND BALANCE	1,004,088	12,444	20,865	70,196	(700,193)
FUND BALANCE, Beginning	2,477,604	120,895	300,225	25,755	2,652,161
FUND BALANCE, Ending	\$ 3,481,692	\$ 133,339	\$ 321,090	\$ 95,951	\$ 1,951,968

See the accompanying independent auditors' report.

TOTALS

<u>2019</u>	<u>2018</u>
\$ 363,266	\$ 235,928
358,606	334,829
44,000	62,000
804,486	464,468
110,549	38,844
<u>320,927</u>	<u>33,447</u>
<u>2,001,834</u>	<u>1,169,516</u>
339,852	274,209
2,292,646	612,803
<u>142,490</u>	<u>264,979</u>
<u>2,774,988</u>	<u>1,151,991</u>
<u>(773,154)</u>	<u>17,525</u>
2,180,554	450,000
<u>(1,000,000)</u>	<u>-</u>
<u>1,180,554</u>	<u>450,000</u>
407,400	467,525
<u>5,576,640</u>	<u>5,109,115</u>
<u>\$ 5,984,040</u>	<u>\$ 5,576,640</u>

TOWN OF JOHNSTOWN, COLORADO

LIBRARY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 712,400	\$ 713,748	\$ 1,348	\$ 386,123
Interest Income	3,000	58,886	55,886	10,338
Miscellaneous	9,000	311,537	302,537	16,598
TOTAL REVENUES	<u>724,400</u>	<u>1,084,171</u>	<u>359,771</u>	<u>413,059</u>
EXPENDITURES				
Culture and Recreation	<u>1,570,000</u>	<u>2,260,637</u>	<u>(690,637)</u>	<u>594,787</u>
TOTAL EXPENDITURES	<u>1,570,000</u>	<u>2,260,637</u>	<u>(690,637)</u>	<u>594,787</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(845,600)</u>	<u>(1,176,466)</u>	<u>(330,866)</u>	<u>(181,728)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>472,500</u>	<u>2,180,554</u>	<u>1,708,054</u>	<u>450,000</u>
TOTAL OTHER FINANCING SOURCES	<u>472,500</u>	<u>2,180,554</u>	<u>1,708,054</u>	<u>450,000</u>
NET CHANGE IN FUND BALANCE	(373,100)	1,004,088	1,377,188	268,272
FUND BALANCE, Beginning	<u>2,354,600</u>	<u>2,477,604</u>	<u>123,004</u>	<u>2,209,332</u>
FUND BALANCE, Ending	<u>\$ 1,981,500</u>	<u>\$ 3,481,692</u>	<u>\$ 1,500,192</u>	<u>\$ 2,477,604</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CEMETERY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sale of Lots	\$ 3,000	\$ 9,192	\$ 6,192	\$ 3,843
Interest Income	1,300	3,252	1,952	2,937
TOTAL REVENUES	<u>4,300</u>	<u>12,444</u>	<u>8,144</u>	<u>6,780</u>
EXPENDITURES				
Operations and Maintenance	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>4,300</u>	<u>12,444</u>	<u>8,144</u>	<u>6,780</u>
FUND BALANCES, Beginning	<u>118,400</u>	<u>120,895</u>	<u>2,495</u>	<u>114,115</u>
FUND BALANCES, Ending	<u>\$ 122,700</u>	<u>\$ 133,339</u>	<u>\$ 10,639</u>	<u>\$ 120,895</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

STREET MAINTENANCE FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	319,000	\$ 358,606	\$ 39,606	\$ 334,829
Interest Income	100	2,111	2,011	1,122
TOTAL REVENUES	319,100	360,717	41,617	335,951
EXPENDITURES				
Public Works	350,000	339,852	10,148	274,209
TOTAL EXPENDITURES	350,000	339,852	10,148	274,209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,900)	20,865	51,765	61,742
FUND BALANCES, Beginning	256,500	300,225	43,725	238,483
FUND BALANCES, Ending	\$ 225,600	\$ 321,090	\$ 95,490	\$ 300,225

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

JOHNSON'S CORNER CAPITAL IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	124,000	\$ 200,146	\$ 76,146	\$ 127,816
Interest Income	100	41	(59)	39
TOTAL REVENUES	124,100	200,187	76,087	127,855
EXPENDITURES				
Public Works	144,300	129,991	14,309	114,900
TOTAL EXPENDITURES	144,300	129,991	14,309	114,900
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,200)	70,196	90,396	12,955
FUND BALANCES, Beginning	20,200	25,755	5,555	12,800
FUND BALANCES, Ending	\$ -	\$ 95,951	\$ 95,951	\$ 25,755

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Use Tax	\$ 95,000	\$ 163,120	\$ 68,120	\$ 108,112
Licenses and Permits	62,500	44,000	(18,500)	62,000
Intergovernmental	72,000	90,738	18,738	78,345
Interest Income	15,000	46,259	31,259	24,408
Miscellaneous	5,000	198	(4,802)	13,006
TOTAL REVENUES	<u>249,500</u>	<u>344,315</u>	<u>94,815</u>	<u>285,871</u>
EXPENDITURES				
Culture and Recreation	70,000	32,009	37,991	18,016
Capital Outlay	-	12,499	(12,499)	150,079
TOTAL EXPENDITURES	<u>70,000</u>	<u>44,508</u>	<u>25,492</u>	<u>168,095</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>179,500</u>	<u>299,807</u>	<u>69,323</u>	<u>117,776</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(820,500)	(700,193)	69,323	117,776
FUND BALANCE, Beginning	<u>2,611,300</u>	<u>2,652,161</u>	<u>2,611,300</u>	<u>2,534,385</u>
FUND BALANCE, Ending	<u>\$ 1,790,800</u>	<u>\$ 1,951,968</u>	<u>\$ 2,680,623</u>	<u>\$ 2,652,161</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019			VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 2,745,000	\$ 2,745,000	\$ 2,851,682	\$ 106,682	\$ 2,933,688
Contributions	-	-	7,200,881	7,200,881	1,452,449
Interest Income	100,000	100,000	562,171	462,171	294,696
Miscellaneous	200,000	200,000	428,406	228,406	831,868
Transfers In	105,000	105,000	105,000	-	121,416
TOTAL REVENUES	3,150,000	3,150,000	11,148,140	7,998,140	5,634,117
EXPENDITURES					
Administration	330,800	6,285,626	6,196,252	89,374	216,058
Operations	1,162,400	1,522,887	1,747,519	(224,632)	1,239,251
Capital Outlay	990,700	990,700	312,273	678,427	1,582,484
TOTAL EXPENDITURES	2,483,900	8,799,213	8,256,044	543,169	3,037,793
NET INCOME, Budget Basis	\$ 666,100	\$ (5,649,213)	2,892,096	\$ 8,541,309	2,596,324
GAAP BASIS ADJUSTMENTS					
Capital Outlay			312,273		1,582,484
Depreciation Expense			(350,416)		(338,800)
NET INCOME, GAAP Basis			2,853,953		3,840,008
NET POSITION, Beginning			35,901,451		32,061,443
Prior Period Adjustment			4,896,000		-
NET POSITION, Beginning, as restated			40,797,451		32,061,443
NET POSITION, Ending			\$ 43,651,404		\$ 35,901,451

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019			VARIANCE	2018 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 1,880,000	\$ 1,880,000	\$ 2,045,675	\$ 165,675	\$ 1,919,222
Contributions	-	-	1,174,298	1,174,298	171,500
Interest Income	50,000	50,000	202,637	152,637	119,081
Miscellaneous	12,500	12,500	34,369	21,869	22,258
TOTAL REVENUES	<u>1,942,500</u>	<u>1,942,500</u>	<u>3,456,979</u>	<u>1,514,479</u>	<u>2,232,061</u>
EXPENDITURES					
Administration	291,000	1,086,000	264,017	821,983	226,831
Operations	1,319,000	4,499,174	4,206,723	292,451	1,032,670
Capital Outlay	464,000	464,000	628,674	(164,674)	376,216
TOTAL EXPENDITURES	<u>2,074,000</u>	<u>6,049,174</u>	<u>5,099,414</u>	<u>949,760</u>	<u>1,635,717</u>
NET INCOME, Budget Basis	<u>\$ (131,500)</u>	<u>\$ (4,106,674)</u>	(1,642,435)	<u>\$ 2,464,239</u>	596,344
GAAP BASIS ADJUSTMENTS					
Capital Outlay			628,674		376,216
Depreciation Expense			(214,313)		(193,002)
TOTAL GAAP BASIS ADJUSTMENTS			<u>414,361</u>		<u>183,214</u>
NET INCOME, GAAP Basis			(1,228,074)		779,558
NET POSITION, Beginning			<u>16,258,263</u>		<u>15,478,705</u>
NET POSITION, Ending			<u>\$ 15,030,189</u>		<u>\$ 16,258,263</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Drainage Fees	\$ 430,000	\$ 445,590	\$ 15,590	\$ 508,617
Interest Income	35,000	90,571	55,571	62,363
TOTAL REVENUES	<u>465,000</u>	<u>536,161</u>	<u>71,161</u>	<u>570,980</u>
EXPENDITURES				
Administration	100,600	92,670	7,930	93,693
Operations	159,900	118,342	41,558	84,806
Capital Outlay	90,000	-	90,000	-
TOTAL EXPENDITURES	<u>350,500</u>	<u>211,012</u>	<u>139,488</u>	<u>178,499</u>
NET INCOME, Budget Basis	<u>\$ 114,500</u>	325,149	<u>\$ 210,649</u>	392,481
GAAP BASIS ADJUSTMENTS				
Capital Outlay		-		-
Depreciation Expense		(5,752)		(5,751)
NET INCOME, GAAP Basis		319,397		386,730
NET POSITION, Beginning		<u>3,251,359</u>		<u>2,864,629</u>
NET POSITION, Ending		<u>\$ 3,570,756</u>		<u>\$ 3,251,359</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Weld
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of Town of Johnstown)	Prepared By: M. McCoy	Phone: 970.587.4664

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	250,000
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,225,532
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	38,738
3. Other local imposts (from page 2)	904,566	c. Other	10,873
4. Miscellaneous local receipts (from page 2)		d. Total (a. through c.)	49,611
5. Transfers from toll facilities		4. General administration & miscellaneous	13,753
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	1,538,896
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	904,566	b. Redemption	0
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	634,329	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	1,538,895	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,538,896

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,538,895	1,538,896	0	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	904,566	g. Other Misc. Receipts	
6. Total (1. through 5.)	904,566	h. Other	
c. Total (a. + b.)	904,566	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	575,130	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	59,199	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	
f. Total (a. through e.)	59,199	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	634,329	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		250,000	0
(5). Total Construction (1) + (2) + (3) + (4)		250,000	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		250,000	0
			(Carry forward to page 1)
Notes and Comments:			