

TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2021

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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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Johnstown, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 34-38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements.

The combining and individual fund financial schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luthr & Associates, LLC

July 8, 2022

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, 2021. 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 \$266 million, an increase of \$56.27 million, or 27 percent.
- As of December 31, 2021, net position for governmental activities was \$162.2 million, up \$22.2 million or 15.89 percent from December 31, 2020. Business type activities reported a net position of \$105.3 million, up \$36.4 million or 52.7 percent in the same time frame.
- General revenues account for \$28,710,413 or 42.02 percent of all revenues. The Town had \$39,611,886 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$13,563,648 in expenses related to governmental activities, of which \$7,130,184 were offset by program specific charges for services and operating grants, contributions. Taxes of \$27,388,022 and other general revenues of \$1,289,518 as shown on the statement of activities, offset the costs.
- The Town had water, sewer, and drainage charges for service income totaling \$8,326,070. Grants and capital contributions revenues for these funds totaled \$24,155,632. The cost of providing water, sewer, and drainage services totaled \$7,809,017.
- The Town's unassigned fund balance for the General Fund is \$68,686,911, the committed fund balance is \$250,000, and the restricted fund balance is \$1,017,000. The committed fund balance is intended to fund the operation of the Recreation Center. 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 related to infrastructure and equipment, but also included water rights and buildings. See the Capital Assets Section of the Financial Statements for detail.
- The Town's governmental funds only outstanding debt are accrued compensated absences totaling \$136,363 at December 31, 2021.
- The Town's business-type funds includes outstanding debt of accrued compensated absences totaling \$46,226 at December 31, 2021. It also includes the debt of the bonds issued for a total of \$56,617,227 at December 31, 2021.

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 2021. 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.

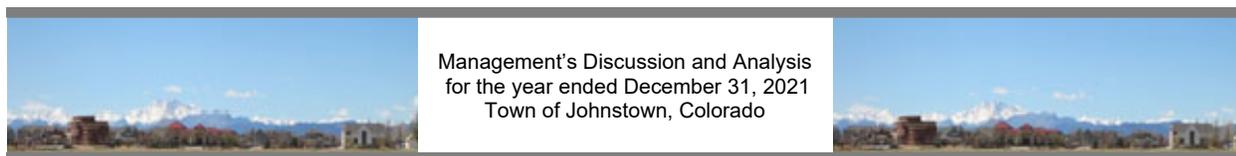
Business-type Activities - These activities are supported by user fees and service charges which are intended to recover all of their costs. The Business-type Activities of the Town of Johnstown include Water, Waste Water, and Drainage. Governmental activities and business-type activities combined comprise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

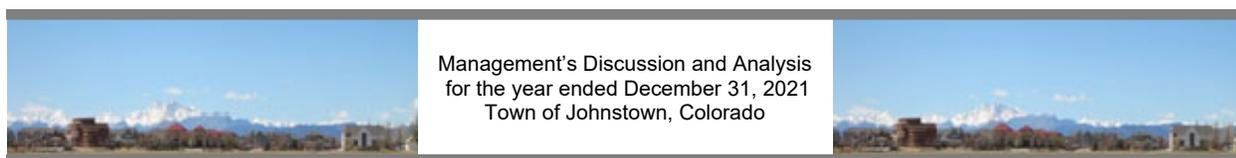
The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes can be found on pages 9 to 33 of this report.

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 34 to 46 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, 2021, the Town’s combined assets exceeded liabilities and deferred inflows of resources by \$265,645,236.



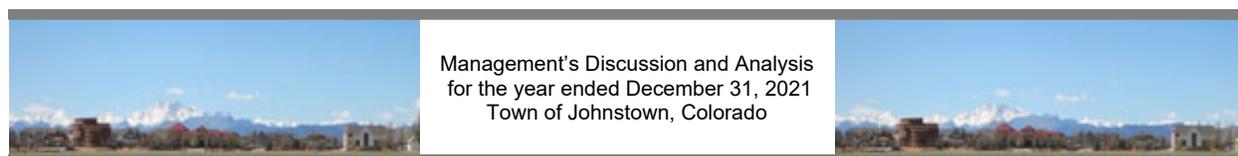
TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF NET POSITION
2021/2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets						
Current Assets	102,685,271	127,952,219	34,860,350	88,899,411	137,545,621	216,851,630
Capital Assets - Net	48,256,815	48,211,763	35,188,726	80,136,859	83,445,541	128,348,622
Total Assets	150,942,086	176,163,982	70,049,076	169,036,270	220,991,162	345,200,252
Deferred Outflow of Resources						
Related to Pensions	367,323	375,224	-	-	367,323	375,224
Liabilities						
Current Liabilities	2,856,876	5,659,976	1,029,491	7,110,518	3,886,367	12,770,494
Long-Term Liabilities	119,915	136,363	43,252	56,593,854	163,167	56,730,217
Total Liabilities	2,976,791	5,796,339	1,072,743	63,704,372	4,049,534	69,500,711
Deferred Inflows of Resources						
Related to Pensions	97,747	262,934	-	-	97,747	262,934
Deferred Revenues	-	-	-	1,910,007	-	1,910,007
Deferred Property Tax Revenue	8,255,602	8,256,588	-	-	8,255,602	8,256,588
Net Position						
Net Investment in Capital Assets	48,256,815	48,211,763	35,188,726	80,136,856	83,445,541	128,348,619
Restricted	875,000	1,017,000	-	-	875,000	1,017,000
Unrestricted	90,847,454	112,994,582	33,787,607	23,285,032	124,635,061	136,279,614
Total Net Position at December 31	139,979,269	162,223,345	68,976,333	105,331,898	208,955,602	265,645,236
Total Increase in Net Position						56,689,634
Percent Increase in Net Position						27.13%

A portion of the Town of Johnstown's net position (48.3%) 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 (.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$136,279,617) 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.

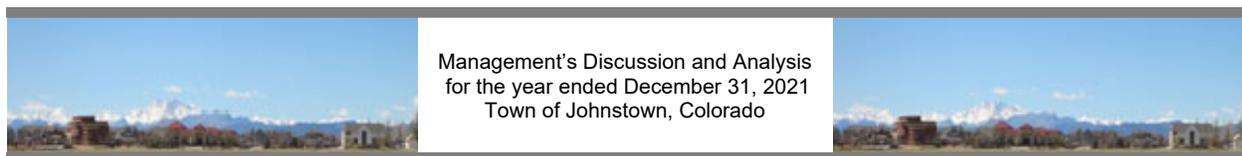


TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2021/2020

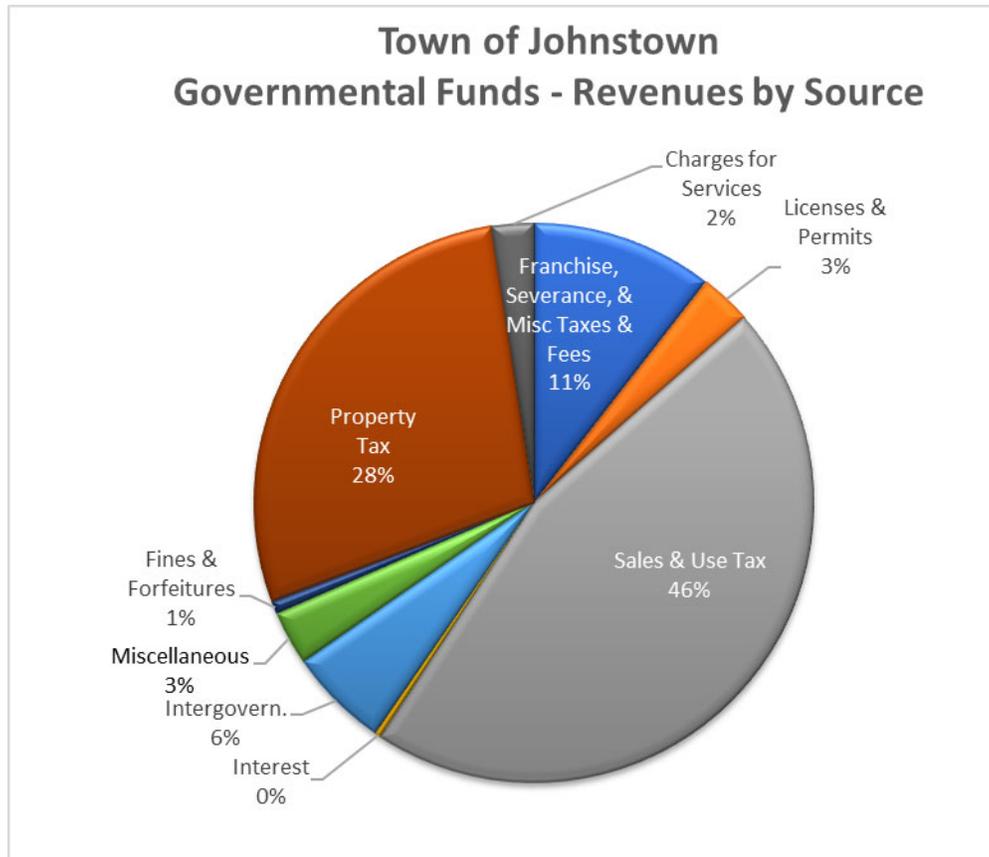
Revenues	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Program Revenues						
Charges for Services	5,852,528	5,054,897	6,406,289	8,326,070	12,258,817	13,380,967
Operating Grants and Contributions	1,374,493	551,516	-	-	1,374,493	551,516
Capital Grants and Contributions	2,424,233	1,523,771	4,962,982	24,155,632	7,387,215	25,679,403
General Revenues						
Property Taxes	8,896,180	10,161,097	-	-	8,896,180	10,161,097
Sales and Use Taxes	11,452,899	16,425,814	-	-	11,452,899	16,425,814
Franchise Taxes	499,702	521,849	-	-	499,702	521,849
Other Taxes	506,468	279,262	-	-	506,468	279,262
Interest	736,323	132,921	-	32,873	736,323	165,794
Other Revenues	1,162,949	1,156,597	-	-	1,162,949	1,156,597
Loss on Disposal of Assets	-	-	-	-	0	0
Total Revenues	32,905,775	35,807,724	11,369,271	32,514,575	44,275,046	68,322,299
Expenses						
General Government	3,959,268	2,768,767	-	-	3,959,268	2,768,767
Public Safety	3,361,350	3,348,147	-	-	3,361,350	3,348,147
Public Works	9,053,329	5,811,240	-	-	9,053,329	5,811,240
Health and Welfare	-	-	-	-	0	0
Culture and Recreation	2,331,483	1,635,494	-	-	2,331,483	1,635,494
Water	-	-	2,848,798	4,156,365	2,848,798	4,156,365
Sewer	-	-	1,570,001	2,033,228	1,570,001	2,033,228
Drainage	-	-	341,537	420,746	341,537	420,746
Interest on Long-Term Debt	-	-	-	1,198,678	-	1,198,678
Total Expenses	18,705,430	13,563,648	4,760,336	7,809,017	23,465,766	21,372,665
Excess (deficiency) before transfers						
Transfers	220,000	-	(220,000)	(60,000)	0	\$ (60,000)
Prior Period Adjustment	-	-	-	9,800,000	0	9,800,000
					0	
Change in Net Position	14,420,345	22,244,076	6,388,935	24,645,558	20,809,280	46,889,634
NET POSITION, Beginning	125,558,924	139,979,269	62,252,349	68,641,284	187,811,273	208,620,553
NET POSITION, Ending	139,979,269	162,223,345	68,641,284	103,086,842	208,620,553	265,310,187

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. In 2020, the governmental funds for the Town were restructured to better reflect the functions and purposes of the fund and to allow users to better assess the accountability of the Town moving forward.



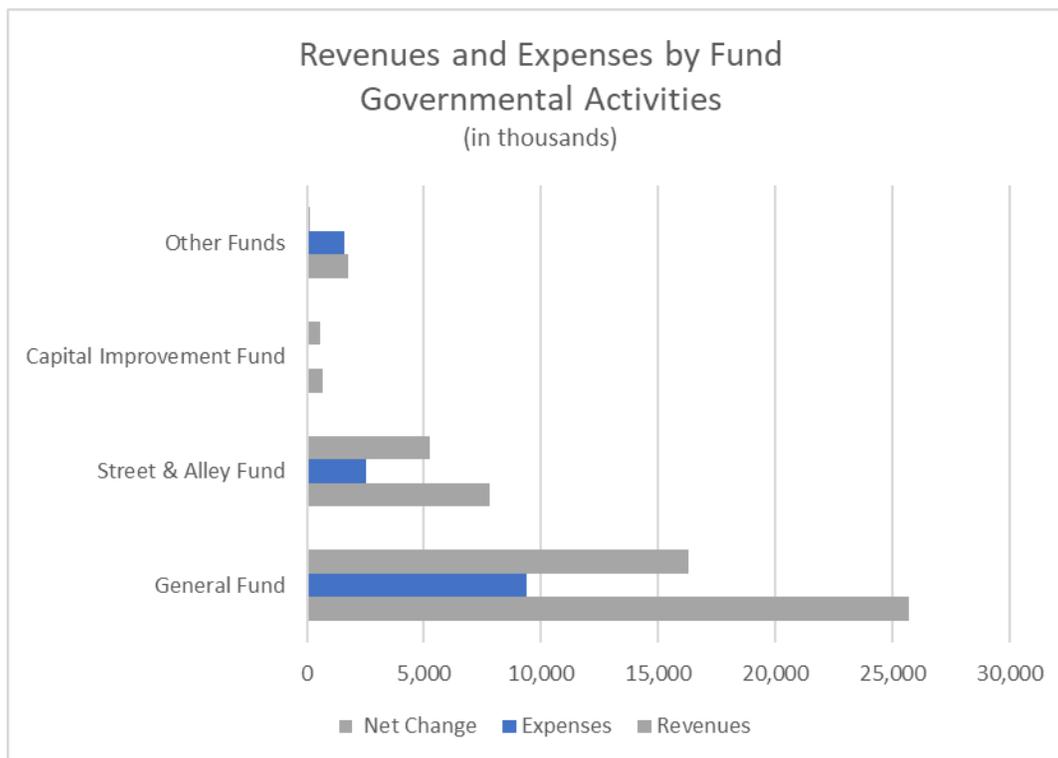
As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$113,807,468, an increase of \$22,289,912. Overall revenue increased \$3.0 million or 9%. Areas of substantial revenue increase included taxes and fees \$4,892,264. The General Fund revenue increases are primarily the result of an economy that continued to grow, despite the continuing COVID 19 pandemic, and the resulting sales tax collections.



Expenditures for the governmental funds for the current year decreased \$5,141,782 or 27.5%. Expenses for the General Fund decreased as capital outlay decreased \$16,196,898 as the construction of the new Recreation Center was completed in 2020. In 2021, the Street and Alley Fund recognized capital expenditures of \$373,014 for a Charlotte St. rehabilitation project. There were no notable increases in expenditures recognized in the General Fund or for the Governmental Funds in 2021.

The statement of net position reports a combined net position for governmental activities of \$162,223,345 an increase of \$22,244,076. The increase is primarily attributed to an increase in capital assets, cash, and receivables.

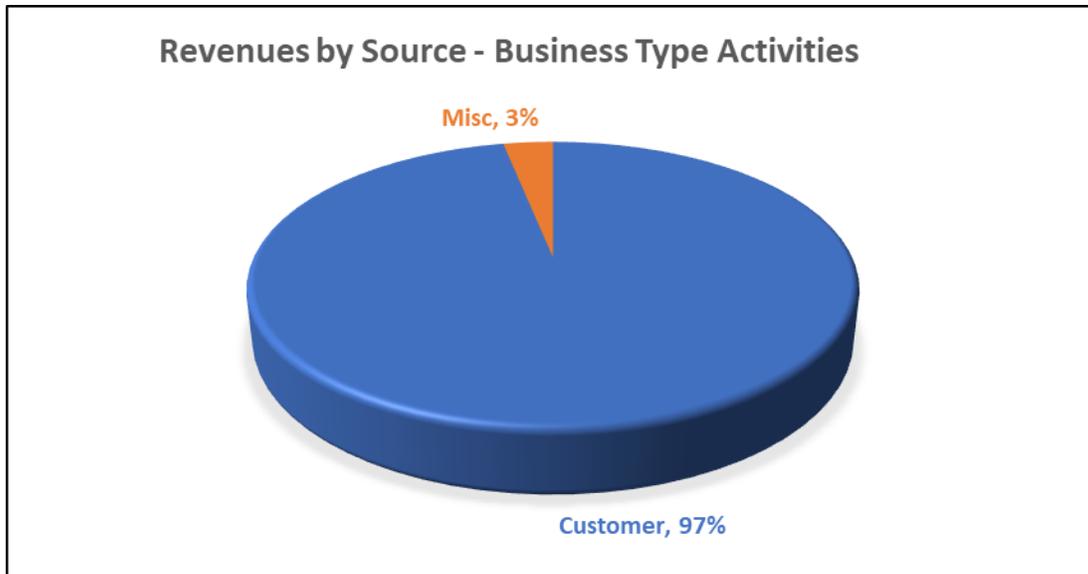
The graph below provides the program revenue and expenses (excluding transfers) for each governmental activity as well as providing net change.



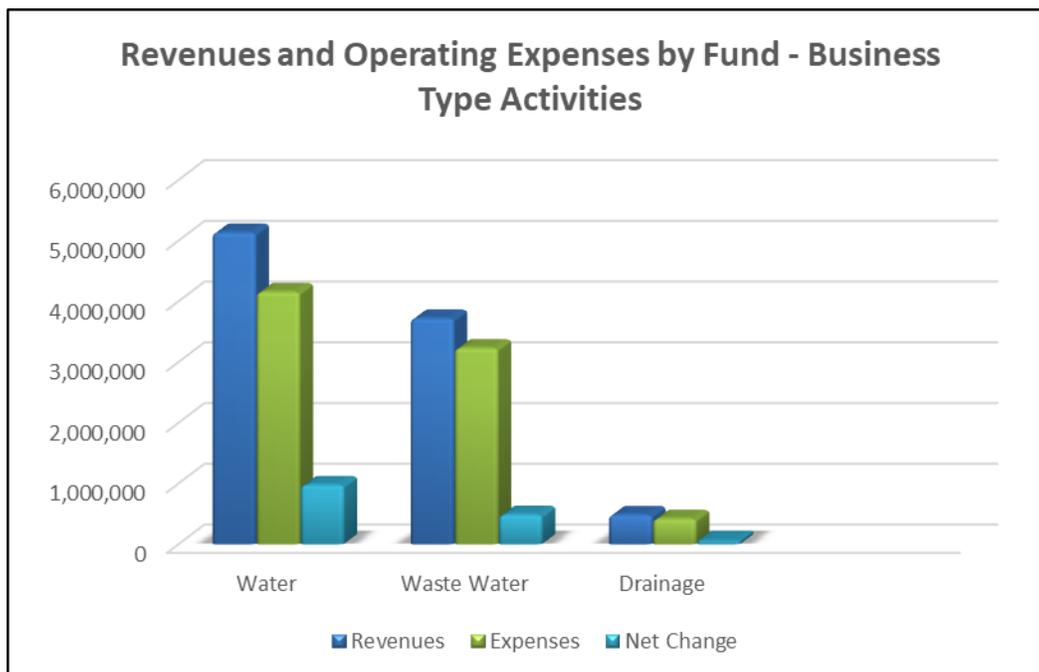
Business-type Activities. Net position of business-type activities increased by \$34.4 million primarily due to an increase in cash and capital assets in all business type funds. The Water Fund increased \$32,311,714, the Waste Water Fund increased \$1,670,048 and the Drainage Fund increased \$463,796. 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 \$8,326,070, a 29.9 percent increase compared to the previous year. The increase in revenues is largely attributed to an increase in volume of water sales. Charges for services for business-type activities increased \$2,045,066, and miscellaneous operating revenues decreased 125,285. The decrease in miscellaneous revenues is directly attributed to the COVID 19 pandemic. Total operating revenues increased \$1,919,781. Operating expenses increased \$1,850,003 across all funds. Water operation costs increased \$1,307,567 in 2021 primarily due to increases in materials costs and the costs associated with the GAC system. Waste water operations increased \$463,227 due to general cost increases for materials and repairs. Drainage Fund operating expenses increased \$79,209.

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



The following graph provides program revenue and expenses (excluding transfers and capital contributions) 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 2021, total fund balance increased \$22,289,912. The unassigned fund balance of the General Fund at the end of 2021, totaled \$68,686,911 while the total fund balance totaled \$69,953,911. 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 2021, unassigned fund balance represents approximately 7.30 times the total General Fund Expenditures, while total fund balance represents 7.44 times that same amount. While the General Fund has a healthy fund balance, the Town has a number of very large capital projects that are currently in the design and/or construction phase, which will decrease the fund balance significantly in 2022 and 2023. Preliminary estimates of the design and construction projects will move the unassigned fund balance from 7.30 times to 1 times the total General Fund Expenditures by 2025.

The Town budgeted for General Fund expenditures of \$9,646,014 for the year ended December 31, 2021 and actual expenditures were \$9,286,551. Expenditures were \$359,463 less than budgeted as a result of capital projects that were not completed by the end of the year. Revenues, excluding transfers, for 2021 were budgeted at \$20,573,605 and actual revenues were \$25,567,367. Revenues from sales taxes, use taxes, permitting for new construction, and grants were much stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2021, the Town had invested \$128,348,622 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 \$44,903,082 or 53.8 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 \$8,839,956 in the governmental activities and \$10,590,805 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 \$136,363 at December 31, 2021.

The Town's business-type funds have long term debt totaling \$56,698,413 consisting of Bonds, Series 2021, with premium totaling \$56,547,628, a lease payable of \$104,558, and accrued compensated absences of \$46,226 at December 31, 2021.

Additional information on the Town's long-term debt can be found in Note 5 on page 22 of this report.

Fiduciary Fund Activities

Cemetery Perpetual Fund

The fund received \$9,207 in lot sales and investment revenues and recognized no expenditures. The fund balance at December 31, 2021, is \$153,816.

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.

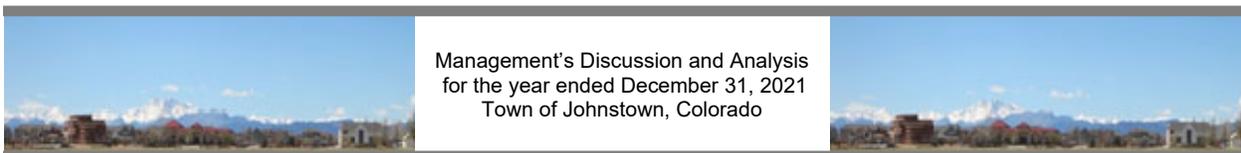
The following factors were taken into account when adopting the budget for 2022:

- The Town has forecast most revenues as relatively steady from 2021 through 2022. Revenues from property taxes are expected to increase only slightly as 2022 is not a reassessment year. Revenues from sales taxes are projected to increase as a result of consistent residential and commercial growth. Building permit revenues are expected to increase as there are several new areas of Town in the planning stages of development.
- The Town has conservatively forecast new growth and the mill levy for property tax revenues has been set at 22.147.
- Expenditures in the General Fund are expected to be \$10,786,661. Capital projects planned for 2022 include a Downtown Improvement Plan, upgrades in AV equipment, new police vehicles, expansion design for the Police Department, a copier, and a generator.
- The Town's business-type activities are expected to have revenues that increase in 2022. A thorough review of the Town's business-type activity funds led to several changes that went into effect as of January 1, 2021 to ensure going concern. Customer classes were updated and restructured, the rate tiers were updated and restructured, and a water and waste water rate schedule with annual increases was adopted by Council.

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, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2021	2020
ASSETS				
Cash and Investments	\$ 114,904,050	\$ 88,016,818	\$ 202,920,868	\$ 124,321,682
Restricted Cash and Investments	705,054	-	705,054	376,599
Receivables				
Property Taxes	8,256,588	-	8,256,588	8,255,602
Sales and Other	3,835,127	-	3,835,127	3,693,285
Accounts	-	872,164	872,164	843,216
Prepaid Items	23,213	10,429	33,642	-
Net Pension Asset	228,187	-	228,187	55,237
Capital Assets, Not Depreciated	2,988,262	64,695,497	67,683,759	23,081,990
Capital Assets, Depreciated				
Net of Accumulated Depreciation	45,223,501	15,441,362	60,664,863	60,363,551
TOTAL ASSETS	<u>176,163,982</u>	<u>169,036,270</u>	<u>345,200,252</u>	<u>220,991,162</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	375,224	-	375,224	367,323
LIABILITIES				
Accounts Payable	1,379,502	6,739,125	8,118,627	1,869,787
Retainage Payable	-	-	-	-
Accrued Salaries and Benefits	100,790	27,797	128,587	217,682
Lease Payable	-	104,558	104,558	-
Accrued Interest	-	162,763	162,763	-
Developer Escrow	4,179,684	-	4,179,684	1,686,436
Noncurrent Liabilities				
Deposits	-	76,275	76,275	112,462
Accrued Compensated Absences	136,363	46,226	182,589	163,167
Due within One Year	-	-	-	-
Due in More Than One Year	-	56,547,628	56,547,628	-
TOTAL LIABILITIES	<u>5,796,339</u>	<u>63,704,372</u>	<u>69,500,711</u>	<u>4,049,534</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	262,934	-	262,934	97,747
Deferred Revenues	-	1,910,007	1,910,007	-
Deferred Property Tax Revenue	8,256,588	-	8,256,588	8,255,602
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,519,522</u>	<u>1,910,007</u>	<u>10,429,529</u>	<u>8,353,349</u>
NET POSITION				
Net Investment in Capital Assets	48,211,763	80,136,859	128,348,622	83,445,541
Restricted for Emergencies	1,017,000	-	1,017,000	875,000
Unrestricted	112,994,582	23,285,032	136,279,614	124,635,061
TOTAL NET POSITION	<u>\$ 162,223,345</u>	<u>\$ 103,421,891</u>	<u>\$ 265,645,236</u>	<u>\$ 208,955,602</u>

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

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,768,767	\$ 1,698,912	\$ 10,440	\$ 314,035
Public Safety	3,348,147	516,381	-	-
Public Works	5,811,240	2,188,812	-	803,869
Health and Welfare	-	-	-	-
Culture and Recreation	1,635,494	650,792	541,076	405,867
Total Governmental Activities	13,563,648	5,054,897	551,516	1,523,771
Business-Type Activities				
Water	4,156,365	5,118,560	-	21,554,392
Wastewater	2,033,228	2,725,847	-	2,180,750
Drainage	420,746	481,663	-	420,490
Interest on Long Term Debt	1,198,678	-	-	-
Total Business-Type Activities	7,809,017	8,326,070	-	24,155,632
Total Primary Government	\$ 21,372,665	\$ 13,380,967	\$ 551,516	\$ 25,679,403

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	
		2021	2020
\$ (745,380)	\$ -	\$ (745,380)	\$ (1,462,112)
(2,831,766)	-	(2,831,766)	(2,855,640)
(2,818,559)	-	(2,818,559)	(4,568,196)
-	-	-	-
(37,759)	-	(37,759)	(168,228)
<u>(6,433,464)</u>	<u>-</u>	<u>(6,433,464)</u>	<u>(9,054,176)</u>
-	22,516,587	22,516,587	4,868,526
-	2,873,369	2,873,369	1,300,192
-	481,407	481,407	440,217
-	(1,198,678)	(1,198,678)	-
<u>-</u>	<u>24,672,685</u>	<u>24,672,685</u>	<u>6,608,935</u>
(6,433,464)	24,672,685	18,239,221	(2,445,241)
16,425,814	-	16,425,814	11,452,899
10,161,097	-	10,161,097	8,896,180
521,849	-	521,849	499,702
279,262	-	279,262	506,468
132,921	32,873	165,794	1,071,372
1,156,597	-	1,156,597	1,162,949
-	(60,000)	(60,000)	-
<u>28,677,540</u>	<u>(27,127)</u>	<u>28,650,413</u>	<u>23,589,570</u>
22,244,076	24,645,558	46,889,634	21,144,329
-	9,800,000	9,800,000	-
<u>139,979,269</u>	<u>68,976,333</u>	<u>208,955,602</u>	<u>187,811,273</u>
<u>\$ 162,223,345</u>	<u>\$ 103,421,891</u>	<u>\$ 265,645,236</u>	<u>\$ 208,955,602</u>

TOWN OF JOHNSTOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 70,786,762	\$ 14,507,496	\$ 15,267,275	\$ 14,342,517
Restricted Cash and Investments	696,895	-	-	8,159
Taxes Receivable	8,256,588	-	-	-
Accounts Receivable	2,540,226	1,064,206	36	230,659
Prepaid Items	18,532	3,155	-	1,526
TOTAL ASSETS	\$ 82,299,003	\$ 15,574,857	\$ 15,267,311	\$ 14,582,861
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 528,429	\$ 428,293	\$ 47,860	\$ 374,920
Accrued Liabilities	75,599	14,759	-	10,432
Developer Escrows and Deposits	3,484,476	-	695,208	-
TOTAL LIABILITIES	4,088,504	443,052	743,068	385,352
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	8,256,588	-	-	-
FUND EQUITY				
Fund Balance				
Restricted for Emergencies	1,017,000	-	-	-
Restricted for Culture and Recreation	-	-	-	6,665,722
Restricted for Parks & Recreation	-	-	-	7,377,971
Restricted for Capital Improvements	-	15,131,805	14,524,243	-
Restricted for Cemetery Maintenance	-	-	-	153,816
Committed for Recreation Center	250,000	-	-	-
Unassigned	68,686,911	-	-	-
TOTAL FUND EQUITY	69,953,911	15,131,805	14,524,243	14,197,509
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 82,299,003	\$ 15,574,857	\$ 15,267,311	\$ 14,582,861

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 (\$136,363), Net Pension Asset \$228,187, Deferred Outflows Related to Pensions \$375,224, and Deferred Inflows Related to Pensions of (\$262,934).

Net position of governmental activities

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

TOTAL GOVERNMENTAL
FUNDS

<u>2021</u>	<u>2020</u>
\$ 114,904,050	\$ 90,603,048
705,054	376,599
8,256,588	8,255,602
3,835,127	3,394,785
23,213	-
<u>\$ 127,724,032</u>	<u>\$ 102,630,034</u>

\$ 1,379,502	\$ 986,413
100,790	184,027
4,179,684	1,686,436
<u>5,659,976</u>	<u>2,856,876</u>

<u>8,256,588</u>	<u>8,255,602</u>
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1,017,000	875,000
6,665,722	5,315,976
7,377,971	7,294,373
29,656,048	23,796,495
153,816	144,554
250,000	1,422,738
68,686,911	52,668,420
<u>113,807,468</u>	<u>91,517,556</u>

48,211,763	48,256,815
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<u>204,114</u>	<u>204,898</u>
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<u>\$ 162,223,345</u>	<u>\$ 139,979,269</u>
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TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
REVENUES				
Taxes and Fees	\$ 22,851,898	\$ 6,168,519	\$ 660,232	\$ 681,706
Licenses and Permits	1,076,864	-	-	-
Intergovernmental	251,847	803,869	-	1,019,571
Charges for Services	16,855	804,638	-	54,028
Fines and Forfeitures	271,401	-	-	-
Interest Income	109,057	4,791	13,183	5,890
Miscellaneous	989,445	8,437	-	15,493
TOTAL REVENUES	<u>25,567,367</u>	<u>7,790,254</u>	<u>673,415</u>	<u>1,776,688</u>
EXPENDITURES				
General Government	3,026,863	-	-	-
Public Safety	3,275,647	-	-	-
Public Works	1,681,466	2,152,972	8,562	-
Culture and Recreation	500,000	-	-	1,115,381
Capital Outlay	802,575	373,014	69,568	511,764
TOTAL EXPENDITURES	<u>9,286,551</u>	<u>2,525,986</u>	<u>78,130</u>	<u>1,627,145</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,280,816</u>	<u>5,264,268</u>	<u>595,285</u>	<u>149,543</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	557,943	-	-	1,293,063
Transfers Out	<u>(1,851,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,293,063)</u>	<u>-</u>	<u>-</u>	<u>1,293,063</u>
NET CHANGE IN FUND BALANCES	14,987,753	5,264,268	595,285	1,442,606
FUND BALANCES, Beginning	<u>54,966,158</u>	<u>9,867,537</u>	<u>13,928,958</u>	<u>12,754,903</u>
FUND BALANCES, Ending	<u>\$ 69,953,911</u>	<u>\$ 15,131,805</u>	<u>\$ 14,524,243</u>	<u>\$ 14,197,509</u>

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

TOTAL GOVERNMENTAL
FUNDS

2021	2020
\$ 30,362,355	\$ 25,470,091
1,076,864	806,904
2,075,287	3,798,726
875,521	781,905
271,401	148,877
132,921	736,323
1,013,375	1,162,949
<u>35,807,724</u>	<u>32,905,775</u>
3,026,863	3,277,859
3,275,647	3,193,597
3,843,000	3,269,982
1,615,381	2,239,274
1,756,921	17,953,819
<u>13,517,812</u>	<u>29,934,531</u>
<u>22,289,912</u>	<u>2,971,244</u>
1,851,006	4,729,384
<u>(1,851,006)</u>	<u>(4,509,384)</u>
<u>-</u>	<u>220,000</u>
22,289,912	3,191,244
<u>91,517,556</u>	<u>88,326,312</u>
<u>\$ 113,807,468</u>	<u>\$ 91,517,556</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, 2021

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 22,289,912
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,480,971) exceeded capital outlay \$1,435,919, in the current year.	(45,052)
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.	(16,448)
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>15,664</u>
Change in Net Position of Governmental Activities	<u><u>\$ 22,244,076</u></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, 2021

ASSETS	WATER	WASTE	DRAINAGE	TOTALS	
	FUND	FUND	FUND	2021	2020
Current Assets					
Cash and Investments	\$ 22,368,002	\$ 62,162,259	\$ 3,486,557	\$ 88,016,818	\$ 33,718,634
Accounts Receivable, net	528,742	298,774	44,651	872,167	843,216
Grants Receivable	-	-	-	-	298,500
Prepaid Expenses	4,550	3,437	2,443	10,430	-
Due from Other Funds	-	-	-	-	-
Total Current Assets	<u>22,901,294</u>	<u>62,464,470</u>	<u>3,533,651</u>	<u>88,899,415</u>	<u>34,860,350</u>
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	61,043,180	17,988,937	1,104,739	80,136,856	35,188,726
TOTAL ASSETS	<u>83,944,474</u>	<u>80,453,407</u>	<u>4,638,390</u>	<u>169,036,271</u>	<u>70,049,076</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	2,850,904	3,745,723	142,498	6,739,125	883,374
Accrued Expenses	10,889	13,554	3,354	27,797	33,655
Accrued Interest	-	162,763	-	162,763	-
Deferred Revenues	-	1,910,007	-	1,910,007	-
Total Current Liabilities	<u>2,861,793</u>	<u>5,832,047</u>	<u>145,852</u>	<u>8,839,692</u>	<u>917,029</u>
Noncurrent Liabilities					
Deposits	61,370	14,905	-	76,275	112,462
Accrued Compensated Absences	22,397	15,746	8,083	46,226	43,252
Due within One Year	17,480	17,480	-	34,960	-
Due in More Than One Year	34,800	56,582,427	-	56,617,227	-
Total Noncurrent Liabilities	<u>136,047</u>	<u>56,630,558</u>	<u>8,083</u>	<u>56,774,688</u>	<u>155,714</u>
TOTAL LIABILITIES	<u>2,997,840</u>	<u>62,462,605</u>	<u>153,935</u>	<u>65,614,380</u>	<u>1,072,743</u>
NET POSITION					
Net Investment in Capital Assets	61,043,180	17,988,937	1,104,739	80,136,856	35,188,726
Unrestricted	19,903,454	1,865	3,379,716	23,285,035	33,787,607
TOTAL NET POSITION	<u>\$ 80,946,634</u>	<u>\$ 17,990,802</u>	<u>\$ 4,484,455</u>	<u>\$ 103,421,891</u>	<u>\$ 68,976,333</u>

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, 2021

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2021	2020
OPERATING REVENUES					
Charges for Services	\$ 4,900,750	\$ 2,683,290	\$ 478,106	\$ 8,062,146	\$ 6,017,080
Miscellaneous	217,810	42,557	3,557	263,924	389,209
TOTAL OPERATING REVENUES	5,118,560	2,725,847	481,663	8,326,070	6,406,289
OPERATING EXPENSES					
Administration	202,862	191,451	122,455	516,768	488,603
Operations	3,518,714	1,612,265	291,655	5,422,634	3,677,519
Depreciation	434,789	229,512	6,636	670,937	594,214
TOTAL OPERATING EXPENSES	4,156,365	2,033,228	420,746	6,610,339	4,760,336
OPERATING INCOME	962,195	692,619	60,917	1,715,731	1,645,953
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	15,127	15,357	2,389	32,873	335,049
Grant Income	-	978,500	-	978,500	298,500
Debt Service	-	(1,198,678)	-	(1,198,678)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	15,127	(204,821)	2,389	(187,305)	633,549
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	977,322	487,798	63,306	1,528,426	2,279,502
Capital Contributions	21,554,392	1,202,250	420,490	23,177,132	4,664,482
Transfers In	-	-	-	-	-
Transfers Out	(20,000)	(20,000)	(20,000)	(60,000)	(220,000)
NET INCOME	22,511,714	1,670,048	463,796	24,645,558	6,723,984
NET POSITION, Beginning as Previously Reported	48,634,920	16,320,754	4,020,659	68,976,333	62,252,349
Prior Period Adjustment	9,800,000	-	-	9,800,000	-
NET POSITION, Beginning, as restated	58,434,920	16,320,754	4,020,659	78,776,333	62,252,349
NET POSITION, Ending	\$ 80,946,634	\$ 17,990,802	\$ 4,484,455	\$ 103,421,891	\$ 68,976,333

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, 2021
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 5,424,510	\$ 4,577,863	\$ 503,256	\$ 10,505,629	\$ 5,997,286
Cash Paid to Suppliers	(1,502,443)	1,687,299	(281,821)	(96,965)	(4,477,569)
Net Cash Provided by Operating Activities	<u>3,922,067</u>	<u>6,265,162</u>	<u>221,435</u>	<u>10,408,664</u>	<u>1,519,717</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(24,091,335)	(11,159,466)	(568,268)	(35,819,069)	(3,471,452)
Capital Contributions	21,554,392	1,202,250	420,490	23,177,132	3,151,982
Proceeds from Capital Grants	-	978,500	-	978,500	-
Proceeds from Debt	52,279	56,599,907	-	56,652,186	-
Interest Payments		(1,035,915)	-	(1,035,915)	-
Deposits from Customers	(44,530)	8,343	-	(36,187)	22,091
Payments from Other Funds	(20,000)	(20,000)	(20,000)	(60,000)	(198,867)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,549,194)</u>	<u>46,573,619</u>	<u>(167,778)</u>	<u>43,856,647</u>	<u>(496,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	15,127	15,357	2,389	32,873	335,049
Net Cash Provided by Investing Activities	<u>15,127</u>	<u>15,357</u>	<u>2,389</u>	<u>32,873</u>	<u>335,049</u>
Net Increase in Cash and Cash Equivalents	1,388,000	52,854,138	56,046	54,298,184	1,358,520
CASH AND INVESTMENTS, Beginning	<u>20,980,002</u>	<u>9,308,121</u>	<u>3,430,511</u>	<u>33,718,634</u>	<u>32,360,114</u>
CASH AND INVESTMENTS, Ending	<u>\$ 22,368,002</u>	<u>\$ 62,162,259</u>	<u>\$ 3,486,557</u>	<u>\$ 88,016,818</u>	<u>\$ 33,718,634</u>
OPERATING ACTIVITIES					
Operating Income	\$ 962,195	\$ 692,619	\$ 60,917	\$ 1,715,731	\$ 1,645,953
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	434,789	229,511	6,636	670,936	594,214
Changes in Assets and Liabilities					
Accounts Receivable	7,450	(57,991)	21,593	(28,948)	(409,003)
Grants Receivable	298,500	-	-	298,500	-
Prepaid Expenses	(4,549)	(3,437)	(2,443)	(10,429)	-
Accounts Payable	2,222,263	3,494,107	139,381	5,855,751	(351,886)
Accrued Expenses	(3,258)	754	(3,354)	(5,858)	23,927
Deferred Revenues	-	1,910,007	-	1,910,007	-
Accrued Compensated Absences	4,677	(408)	(1,295)	2,974	16,512
Total Adjustments	<u>2,959,872</u>	<u>5,572,543</u>	<u>160,518</u>	<u>8,692,933</u>	<u>(126,236)</u>
Net Cash Provided by Operating Activities	<u>\$ 3,922,067</u>	<u>\$ 6,265,162</u>	<u>\$ 221,435</u>	<u>\$ 10,408,664</u>	<u>\$ 1,519,717</u>

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021

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, 2021

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 *Street and Alley Fund* is a special revenue fund that was established to account for all taxes and impact fee revenues specifically earmarked for street 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, 2021

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, 2021

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, 2021

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, 2021, the Town did not report any nonspendable its prepaid items as nonspendable resources.
- 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 fund balances for Street and Alley, Capital Improvement, the Cemetery, and the Parks and Open Space 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.
- 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, 2021

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, 2021

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.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2021, follows:

Petty Cash	\$ 2,225
Cash Deposits	39,480,153
Investments ¹⁶	<u>164,143,544</u>
Total	<u>\$203,625,922</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

Governmental Activities - Unrestricted	\$ 114,904,050
Governmental Activities – Restricted	705,054
Business-type Activities- Unrestricted	<u>88,016,818</u>
Total	<u>\$203,625,922</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, 2021, 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, 2021, the Town had deposits with financial institutions with a carrying amount of \$39,480,153. The bank balances with the financial institutions were \$40,421,846. Of these balances, \$323,532 was covered by federal depository insurance and \$40,098,314 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2021, the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
U.S. Government Securities	\$ 24,588,934	\$ 17,029,881	\$ 7,559,054
U.S. Government Agencies	16,629,221	10,603,600	6,025,620
Money Market Funds	32,491	32,491	-
Local Government Investment Pools	<u>122,892,898</u>	<u>122,892,898</u>	<u>-</u>
Total	<u>\$ 164,143,544</u>	<u>\$ 150,558,870</u>	<u>\$ 13,584,674</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

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

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2021, 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 by Moody's Investors.

Investment Pools

The Town had invested \$72,736,649 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.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools (Continued)

The Town had invested \$50,156,249 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.

The Town invested \$32,491 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, 2021, the Town held investments in U.S. Government Securities and U.S. Government Agencies in the amount of \$24,588,934 and \$16,629,221, respectively, with maturity dates of less than one and five 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.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Restricted Cash and Investments

Cash and Investment in the amount of \$696,895 are restricted in the General Fund for developer and escrow deposits and funds in the amount of \$8,159 are restricted in the Conservation Trust Fund for parks and recreation.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 is summarized below:

	Balances <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2021</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,099,633	\$ -	\$ -	\$ 1,099,633
Water Shares	687,500	275,000	-	962,500
Construction in Progress	<u>102,400</u>	<u>854,366</u>	<u>30,637</u>	<u>926,129</u>
Total Capital Assets, not depreciated	<u>1,889,533</u>	<u>1,129,366</u>	<u>30,637</u>	<u>2,988,262</u>
Capital Assets, depreciated				
Buildings	40,361,073	35,460	-	40,396,533
Improvements	3,314,892	85,875	-	3,400,767
Infrastructure	3,966,658	-	-	3,966,658
Equipment	<u>6,083,644</u>	<u>215,855</u>	<u>-</u>	<u>6,299,499</u>
Total Capital Assets, depreciated	<u>53,726,267</u>	<u>337,190</u>	<u>-</u>	<u>54,063,457</u>
Less Accumulated Depreciation				
Buildings	2,994,262	805,638	-	3,799,900
Improvements	951,304	73,626	-	1,024,930
Infrastructure	145,912	85,181	-	231,093
Equipment	<u>3,267,507</u>	<u>516,526</u>	<u>-</u>	<u>3,784,033</u>
Total Accumulated Depreciation	<u>7,358,985</u>	<u>1,480,971</u>	<u>-</u>	<u>8,839,956</u>
Total Capital Assets, depreciated, Net	<u>46,367,282</u>	<u>(1,143,781)</u>	<u>-</u>	<u>45,223,501</u>
Governmental Activities, Capital Assets, Net	<u>\$ 48,256,815</u>	<u>\$ (14,415)</u>	<u>\$ (30,637)</u>	<u>\$ 48,211,763</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 904,477
Public Safety	189,844
Public Works	311,299
Culture and Recreation	<u>75,351</u>
Total	<u>\$ 1,480,971</u>

	<u>Balances</u> 12/31/2020	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 12/31/2021
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 72,405	\$ 31,901	\$ -	\$ 104,306
Water Rights	18,538,749	28,929,000	-	47,467,749
Lease Assets	-	104,558	-	104,558
Construction in Progress	<u>2,581,303</u>	<u>14,474,652</u>	<u>37,071</u>	<u>17,018,884</u>
Total Capital Assets, not depreciated	<u>21,192,457</u>	<u>43,540,111</u>	<u>37,071</u>	<u>64,695,497</u>
Capital Assets, depreciated				
Utility Systems	22,678,571	1,994,569	-	24,673,140
Equipment	<u>1,237,566</u>	<u>121,461</u>	<u>-</u>	<u>1,359,027</u>
Total Capital Assets, depreciated	<u>23,916,137</u>	<u>2,116,030</u>	<u>-</u>	<u>26,032,167</u>
Less: Accumulated Depreciation				
Utility Systems	9,636,093	589,944	-	10,226,037
Equipment	<u>283,776</u>	<u>80,992</u>	<u>-</u>	<u>364,768</u>
Total Accumulated Depreciation	<u>9,919,869</u>	<u>670,936</u>	<u>-</u>	<u>10,590,805</u>
Total Capital Assets, depreciated, Net	<u>13,996,268</u>	<u>1,445,094</u>	<u>-</u>	<u>15,441,362</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 35,188,725</u>	<u>\$ 44,985,205</u>	<u>\$ (37,071)</u>	<u>\$ 80,136,859</u>

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

Business-type Activities

Water Fund	\$ 434,789
Wastewater Fund	229,512
Drainage Fund	<u>6,637</u>
Total	<u>\$ 670,938</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

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. The Town will be continuing its process of determining the acquisition value of additional water rights and shares owned during the year ended December 31, 2021.

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, 2021.

	Balance <u>12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2021</u>	Due In <u>One Year</u>
Accrued Compensated Absences	\$ <u>119,915</u>	\$ <u>16,448</u>	\$ <u>-</u>	\$ <u>136,363</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, 2021.

	Balance <u>12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2021</u>	Due In <u>One Year</u>
Bonds, Series 2021	\$ -	\$46,585,000	\$ -	\$46,585,000	\$ -
Premium	-	9,962,628	-	9,962,628	-
Lease Payable	139,839	-	34,959	104,558	34,959
Accrued Compensated Absences	<u>43,252</u>	<u>2,974</u>	<u>-</u>	<u>46,226</u>	<u>-</u>
	\$ <u>183,091</u>	\$ <u>56,550,602</u>	\$ <u>34,959</u>	\$ <u>56,698,413</u>	\$ <u>34,959</u>

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

2021 Wasterwater Revenue Bonds

In August 2021, the Town issued Wastewater Revenue Bonds Series 2021 to finance capital improvements, bond issuance costs and purchase of water rights. Principal payments are due annually on December 1 through December 1, 2051. Interest payments are due semi-annually on June 1 and December 1 through December 1, 2051. Interest accrues at rates ranging from 4.0% to 5.0%. The Bonds maturing on and before December 1, 2046, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 1, 2047 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2046 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. There is no provision for the acceleration of maturity of the principal of the Bonds in the event of default in the payment of principal or interest on the Bonds.

Browns Hill Engineering & Controls Lease

In January 2020, the Town entered into software and equipment lease with Browns Hill Engineering & Controls, LLC to finance the acquisition of equipment needed for the water treatment plant the associated software. Installments are due monthly on the 20th of each month through December 2024.

Future Debt Service Requirements

Annual debt service requirements for the general obligation bonds as of December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,953,150	\$ 1,953,150
2023	810,000	1,953,150	2,763,150
2024	855,000	1,912,650	2,767,650
2025	900,000	1,869,900	2,769,900
2026	940,000	1,824,900	2,764,900
2027 – 2031	5,470,000	8,369,250	13,839,250
2032 – 2036	6,840,000	6,995,800	13,835,800
2037 – 2041	8,325,000	5,514,400	13,839,400
2042 – 2046	10,125,000	3,710,600	13,835,600
2047 – 2051	<u>12,320,000</u>	<u>1,517,000</u>	<u>13,837,000</u>
Total Debt Service Requirements - Bonds	<u>\$46,585,000</u>	<u>\$35,620,800</u>	<u>\$ 82,205,800</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2021.

<u>Year Ended December 31,</u>	
2021	<u>\$ 104,588</u>

NOTE 6: INTERFUND AMOUNTS

Interfund transfers for the year ended December 31, 2021, were comprised of the following:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Parks and Open Space Fund	\$ 60,000
General Fund	Library Fund	1,233,063
General Fund	Tax Allocation Fund	<u>557,943</u>
Total		<u>\$ 1,851,006</u>

NOTE 7: TAX ABATEMENTS

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, 2021, the Town reimbursed sales taxes to the owners of the 2534 Development property in the amount of \$621,356.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN

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).

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

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member’s highest three years’ pensionable earnings 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited 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 at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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 pensionable earnings. Employer contributions are 8.00 and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.00 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.00 percent and 8.00 percent, respectively, of pensionable earnings for a total contribution rate of 19.00 percent.

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 23.00 percent and 23.50 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4.00 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4.00 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

The contribution rate for members and employers of affiliated social security employers is 5.50 percent and 4.00 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.00 percent of pensionable earnings. Employer contributions are 4.00 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.50 percent of pensionable earnings.

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

At December 31, 2021, the Town reported an asset in the amount of \$228,187 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2021.

The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2020 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2020 the Town's proportion was 0.10511%, which was an increase of 0.00744% from its proportion measured as of December 31, 2019.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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)

For the year ended December 31, 2021 the Town recognized a pension expense of \$63,173. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$193,525	\$908
Net difference between projected and actual earnings on pension plan investments	N/A	\$234,381
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$5,811	\$27,645
Change in assumptions and other inputs	\$97,051	N/A
Contributions subsequent to the measurement date	\$78,837	N/A
Total	\$375,224	\$262,934

\$78,837 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, 2021. 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	
2021	(\$28,125)
2022	\$2,275
2023	(\$37,157)
2024	\$2,609
2025	\$39,426
Thereafter	\$54,425

Actuarial assumptions. The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2021
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, 2020
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.0 percent
Projected salary increases*	4.25-11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability and actuarially determined contributions, 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 preretirement 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.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 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, 2020. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 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 (assumed at 2.5 percent). 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

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 payments to determine the total pension liability.

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (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 percent.

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan’s net pension liability/(asset), calculated using a Single Discount Rate of 7.00 percent, 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)	\$229,634	(\$228,187)	(\$607,320)

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

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by Pension Management. The Town matches up to 4.2% for regular full-time employees and 9.2% for Department Heads. All full-time employees are eligible to participate in the plan upon hire and are immediately vested. The Town contributed \$116,969, and \$136,319, and \$201,817 to the plan for the years ended December 31, 2019, 2020, and 2021 respectively, equal to the required contribution.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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

Facility Management Agreement

In April 2018, the Town entered into a Facility Management Agreement with the YMCA of Boulder Valley. Per the agreement, the YMCA has agreed to manage and operate the Recreation Facility owed by the Town. The YMCA will use Facility Revenues to cover normal and routine operating costs of the Facility and the Town has agreed to provide an operating subsidy in an amount not to exceed \$500,000 annually, to cover any shortfall from operations. This agreement is effective through December 31, 2031, and unless one party gives written notice to the other, the Agreement shall automatically renew for additional ten-year terms. During the year ended December 31, 2021, the Town paid an operating subsidy in to the YMCA the amount of \$500,000, equal to the amount required per the terms of this agreement.

Water Agreement

The Town has entered into a Water Agreement with W.R. Investment LLC (“WRI”), whereby the Town has agreed to a partial infrastructure cost reimbursement to settle a conflict created by a water decree issued to WRI in 2017 related to water usage implemented in prior agreements between the Town and WRI. Per the terms of the cost reimbursement agreement, the Town has agreed to pay WRI \$4,600 per building permit issued up to 305 permits. For the years ended December 31, 2020 and 2021, the Town has reimbursed WRI \$487,600 and \$450,800, respectively. As of December 31, 2021, the Town has recorded a liability in the Water Fund in the amount of \$41,400 for the remaining 9 permits yet to be issued under this agreement.

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, 2000, 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.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$1,017,000 was recorded in the General Fund.

NOTE 12: PRIOR PERIOD ADJUSTMENT

The beginning fund equity of the Water Fund was increased by \$9,800,000 to restate the beginning fund balances for the purchase of water shares were finalized in 2020.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)
REVENUES				
Taxes and Fees	\$ 14,917,027	\$ 19,278,755	\$ 22,851,898	\$ 3,573,143
Licenses and Permits	892,150	892,150	1,076,864	184,714
Intergovernmental	150,500	150,500	251,847	101,347
Charges for Services	-	-	16,855	16,855
Fines and Forfeitures	122,000	122,000	271,401	149,401
Interest Income	112,000	112,000	109,057	(2,943)
Miscellaneous	18,200	18,200	989,445	971,245
TOTAL REVENUES	16,211,877	20,573,605	25,567,367	4,993,762
EXPENDITURES				
General Government	2,548,485	3,178,945	3,026,863	152,082
Public Safety	5,440,393	5,440,393	3,275,647	2,164,746
Public Works	526,675	526,675	1,681,466	(1,154,791)
Culture and Recreation	-	500,001	500,000	1
Capital Outlay	-	-	802,575	(802,575)
TOTAL EXPENDITURES	8,515,553	9,646,014	9,286,551	359,463
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,696,324	10,927,591	16,280,816	5,353,225
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	557,943	557,943
Transfers Out	(7,242,457)	(7,242,457)	(1,851,006)	5,391,451
TOTAL OTHER FINANCING SOURCES (USES)	(7,242,457)	(7,242,457)	(1,293,063)	5,949,394
NET CHANGE IN FUND BALANCE	453,867	3,685,134	14,987,753	11,302,619
FUND BALANCES, Beginning, as Restated	42,569,509	42,569,509	54,966,158	12,396,649
FUND BALANCE, Ending	\$ 43,023,376	\$ 46,254,643	\$ 69,953,911	\$ 23,699,268

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

STREET AND ALLEY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes and Fees	\$ 3,399,950	\$ 6,168,519	\$ 2,768,569
Intergovernmental	-	803,869	803,869
Charges for Services	715,477	804,638	89,161
Interest Income	28,000	4,791	(23,209)
Miscellaneous	1,066,666	8,437	(1,058,229)
TOTAL REVENUES	<u>5,210,093</u>	<u>7,790,254</u>	<u>2,580,161</u>
EXPENDITURES			
Public Works	2,699,400	2,152,972	546,428
Capital Outlay	1,369,000	373,014	995,986
TOTAL EXPENDITURES	<u>4,068,400</u>	<u>2,525,986</u>	<u>1,542,414</u>
NET CHANGE IN FUND BALANCES	1,141,693	5,264,268	4,122,575
FUND BALANCES, Beginning, as Restated	<u>8,138,339</u>	<u>9,867,537</u>	<u>1,729,198</u>
FUND BALANCES, Ending	<u>\$ 9,280,032</u>	<u>\$ 15,131,805</u>	<u>\$ 5,851,773</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CAPITAL IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 111,940	\$ 660,232	\$ 548,292
Interest Income	-	13,183	13,183
Miscellaneous	36,000	-	(36,000)
TOTAL REVENUES	<u>147,940</u>	<u>673,415</u>	<u>525,475</u>
EXPENDITURES			
Public Works	-	8,562	(8,562)
Capital Outlay	4,410,200	69,568	4,340,632
TOTAL EXPENDITURES	<u>4,410,200</u>	<u>78,130</u>	<u>4,332,070</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,262,260)</u>	<u>595,285</u>	<u>4,857,545</u>
OTHER FINANCING USES			
Transfers Out	<u>(85,100)</u>	<u>-</u>	<u>85,100</u>
NET CHANGE IN FUND BALANCES	<u>(4,347,360)</u>	<u>595,285</u>	<u>4,942,645</u>
FUND BALANCES, Beginning, as Restated	<u>12,956,724</u>	<u>13,928,958</u>	<u>972,234</u>
FUND BALANCES, Ending	<u>\$ 8,609,364</u>	<u>\$ 14,524,243</u>	<u>\$ 5,914,879</u>

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>	<u>2019</u>	<u>2020</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.098%	0.095%	0.092%	0.098%	0.092%	0.095%	0.098%	0.105%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (87,606)	\$ (107,336)	\$ (1,619)	\$ 35,231	\$ (132,637)	\$ 120,358	\$ (55,237)	\$ (228,187)
Town's covered payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103	\$ 1,439,700	\$ 1,756,485
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%	-3.8%	-13.0%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%

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>	<u>2020</u>	<u>2021</u>
Statutorily required contributions	34,043	\$ 34,216	\$ 36,443	\$ 39,919	\$ 41,450	\$ 51,016	\$ 57,587	\$ 70,259	\$ 78,837
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>	<u>70,259</u>	<u>78,837</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	\$ 1,756,485	\$ 1,970,925
Contributions as a percentage of covered payroll	3.99%	3.94%	4.00%	4.00%	3.98%	3.99%	4.00%	4.00%	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, 2021

	SPECIAL REVENUE			TOTAL
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	
ASSETS				
Cash and Investments	\$ 6,552,973	\$ 153,816	\$ 7,635,728	\$ 14,342,517
Restricted Cash and Investments	-	-	8,159	8,159
Accounts Receivable	190,207	-	40,452	230,659
Prpaid Expenses	-	-	1,526	1,526
TOTAL ASSETS	\$ 6,743,180	\$ 153,816	\$ 7,685,865	\$ 14,582,861
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 70,126	\$ -	\$ 304,794	\$ 374,920
Accrued Liabilities	7,332	-	3,100	10,432
TOTAL LIABILITIES	77,458	-	307,894	385,352
FUND EQUITY				
Fund Balance				
Restricted for Culture and Recreation	6,665,722	-	-	6,665,722
Restricted for Parks & Recreation	-	-	7,377,971	7,377,971
Restricted for Cemetery Maintenance	-	153,816	-	153,816
TOTAL FUND EQUITY	6,665,722	153,816	7,377,971	14,197,509
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,743,180	\$ 153,816	\$ 7,685,865	\$ 14,582,861

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2021

	SPECIAL REVENUE			TOTAL
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	
REVENUES				
Taxes and Fees	\$ 237,636	\$ -	\$ 444,070	\$ 681,706
Charges for Services	-	-	54,028	54,028
Licenses and Permits	-	-	-	-
Intergovernmental	550,267	-	469,304	1,019,571
Interest Income	2,389	55	3,446	5,890
Miscellaneous	3,259	9,207	3,027	15,493
TOTAL REVENUES	793,551	9,262	973,875	1,776,688
EXPENDITURES				
Culture and Recreation	676,868	-	438,513	1,115,381
Capital Outlay	-	-	511,764	511,764
TOTAL EXPENDITURES	676,868	-	950,277	1,627,145
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	116,683	9,262	23,598	149,543
OTHER FINANCING SOURCES (USES)				
Transfers In	1,233,063	-	60,000	1,293,063
TOTAL OTHER FINANCING SOURCES (USES)	1,233,063	-	60,000	1,293,063
NET CHANGE IN FUND BALANCE	1,349,746	9,262	83,598	1,442,606
FUND BALANCE, Beginning, as Restated	5,315,976	144,554	7,294,373	12,754,903
FUND BALANCE, Ending	\$ 6,665,722	\$ 153,816	\$ 7,377,971	\$ 14,197,509

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

LIBRARY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Library Facilities Fee	\$ 215,000	\$ 237,636	\$ 22,636
Intergovernmental	1,840,752	550,267	(1,290,485)
Interest Income	60,000	2,389	(57,611)
Miscellaneous	11,000	3,259	(7,741)
TOTAL REVENUES	<u>2,126,752</u>	<u>793,551</u>	<u>(1,333,201)</u>
EXPENDITURES			
Culture and Recreation	<u>1,094,500</u>	<u>676,868</u>	<u>417,632</u>
TOTAL EXPENDITURES	<u>1,094,500</u>	<u>676,868</u>	<u>417,632</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,032,252</u>	<u>116,683</u>	<u>(915,569)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>1,233,063</u>	<u>1,233,063</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>1,233,063</u>	<u>1,233,063</u>
NET CHANGE IN FUND BALANCE	1,032,252	1,349,746	317,494
FUND BALANCE, Beginning, as Restated	<u>4,825,181</u>	<u>5,315,976</u>	<u>490,795</u>
FUND BALANCE, Ending	<u>\$ 5,857,433</u>	<u>\$ 6,665,722</u>	<u>\$ 808,289</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CEMETERY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Sale of Lots	\$ 900	\$ 9,207	\$ 8,307
Interest Income	400	55	(345)
TOTAL REVENUES	<u>1,300</u>	<u>9,262</u>	<u>7,962</u>
EXPENDITURES			
Operations and Maintenance	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>1,300</u>	<u>9,262</u>	<u>7,962</u>
FUND BALANCES, Beginning	<u>142,214</u>	<u>144,554</u>	<u>2,340</u>
FUND BALANCES, Ending	<u>\$ 143,514</u>	<u>\$ 153,816</u>	<u>\$ 10,302</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

PARKS AND OPEN SPACE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes and Fees	\$ 401,910	\$ 444,070	\$ 42,160
Charges for Services	-	54,028	54,028
Intergovernmental	77,100	469,304	392,204
Interest Income	22,100	3,446	(18,654)
Miscellaneous	207,000	3,027	(203,973)
TOTAL REVENUES	<u>708,110</u>	<u>973,875</u>	<u>265,765</u>
EXPENDITURES			
Culture and Recreation	614,410	438,513	175,897
Capital Outlay	1,240,000	511,764	728,236
TOTAL EXPENDITURES	<u>1,854,410</u>	<u>950,277</u>	<u>904,133</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,146,300)</u>	<u>23,598</u>	<u>1,169,898</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>220,000</u>	<u>60,000</u>	<u>(160,000)</u>
TOTAL OTHER FINANCING SOURCES	<u>220,000</u>	<u>60,000</u>	<u>(160,000)</u>
NET CHANGE IN FUND BALANCE	(926,300)	83,598	1,009,898
FUND BALANCE, Beginning, as Restated	<u>6,517,625</u>	<u>7,294,373</u>	<u>776,748</u>
FUND BALANCE, Ending	<u>\$ 5,591,325</u>	<u>\$ 7,377,971</u>	<u>\$ 1,786,646</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Charges for Services	\$ 3,868,050	\$ 3,868,050	\$ 4,900,750	\$ 1,032,700	\$ 3,427,297
Contributions	831,294	19,410,294	21,554,392	2,144,098	3,619,183
Intergovernmental	-	1,910,007	-	(1,910,007)	298,500
Interest Income	-	-	15,127	15,127	214,990
Miscellaneous	5,546,500	5,546,500	217,810	(5,328,690)	372,344
Transfers In	-	-	-	-	-
TOTAL REVENUES	10,245,844	30,734,851	26,688,079	(4,046,772)	7,932,314
EXPENDITURES					
Administration	-	-	202,862	(202,862)	194,215
Operations	2,665,273	2,665,273	3,518,714	(853,441)	2,298,152
Capital Outlay	19,235,000	37,814,000	33,891,336	3,922,664	1,549,994
Depreciation Expense	410,000	410,000	434,789	(24,789)	356,431
Transfers Out	-	-	20,000	(20,000)	100,000
TOTAL EXPENDITURES	22,310,273	40,889,273	38,067,701	2,821,572	4,498,792
NET INCOME, Budget Basis	\$ (12,064,429)	\$ (10,154,422)	(11,379,622)	\$ (1,225,200)	3,433,522
GAAP BASIS ADJUSTMENTS					
Capital Outlay			33,891,336		1,549,994
NET INCOME, GAAP Basis			22,511,714		4,983,516
NET POSITION, Beginning, as Previously Reported			48,634,920		43,651,404
Prior Period Adjustment			9,800,000		-
NET POSITION, Beginning, as restated			58,434,920		43,651,404
NET POSITION, Ending			\$ 80,946,634		\$ 48,634,920

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO
WASTEWATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 2,123,500	\$ 2,683,290	\$ 559,790	\$ 2,130,323
Contributions	-	1,202,250	1,202,250	723,350
Intergovernmental	1,192,000	978,500	(213,500)	-
Interest Income	-	15,357	15,357	90,373
Miscellaneous	54,459,200	42,557	(54,416,643)	16,520
Transfers In	-	-	-	-
TOTAL REVENUES	<u>57,774,700</u>	<u>4,921,954</u>	<u>(52,852,746)</u>	<u>2,960,566</u>
EXPENDITURES				
Administration	-	191,451	(191,451)	180,118
Operations	2,121,353	1,612,265	509,088	1,157,853
Capital Outlay	25,386,600	11,159,466	14,227,134	1,642,922
Depreciation Expense	235,000	229,512	5,488	232,030
Debt Service	1,998,069	1,198,678	799,391	-
Transfers Out	-	20,000	(20,000)	100,000
TOTAL EXPENDITURES	<u>29,741,022</u>	<u>14,411,372</u>	<u>15,329,650</u>	<u>3,312,923</u>
NET INCOME, Budget Basis	<u>\$ 28,033,678</u>	<u>(9,489,418)</u>	<u>\$ (37,523,096)</u>	<u>(352,357)</u>
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>11,159,466</u>		<u>1,642,922</u>
TOTAL GAAP BASIS ADJUSTMENTS		<u>11,159,466</u>		<u>1,642,922</u>
NET INCOME, GAAP Basis		1,670,048		1,290,565
NET POSITION, Beginning		<u>16,320,754</u>		<u>15,030,189</u>
NET POSITION, Ending		<u>\$ 17,990,802</u>		<u>\$ 16,320,754</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2021

	2021		VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Drainage Fees	\$ 457,200	\$ 478,106	\$ 20,906	\$ 459,460
Contributions	75,000	420,490	345,490	321,949
Interest Income	-	2,389	2,389	29,686
Miscellaneous	5,400	3,557	(1,843)	345
TOTAL REVENUES	<u>537,600</u>	<u>904,542</u>	<u>366,942</u>	<u>811,440</u>
EXPENDITURES				
Administration	113,545	122,455	(8,910)	114,270
Operations	340,635	291,655	48,980	221,514
Capital Outlay	2,168,750	568,268	1,600,482	278,536
Depreciation Expense	-	6,636	(6,636)	5,753
Transfers Out	-	20,000	(20,000)	20,000
TOTAL EXPENDITURES	<u>2,622,930</u>	<u>1,009,014</u>	<u>1,613,916</u>	<u>640,073</u>
NET INCOME, Budget Basis	<u>\$ (2,085,330)</u>	(104,472)	<u>\$ 1,980,858</u>	171,367
GAAP BASIS ADJUSTMENTS				
Capital Outlay		568,268		278,536
NET INCOME, GAAP Basis		463,796		449,903
NET POSITION, Beginning		<u>4,020,659</u>		<u>3,570,756</u>
NET POSITION, Ending		<u>\$ 4,484,455</u>		<u>\$ 4,020,659</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: Johnstown
		YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Mitzi McCoy 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)	329,170
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,377,196
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	28,693
3. Other local imposts (from page 2)	6,085,412	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	28,693
5. Transfers from toll facilities		4. General administration & miscellaneous	10,020
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,745,079
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	6,085,412	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	643,567	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,728,979	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,745,079

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,803,809	6,728,979	1,745,079	6,787,709	(1)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

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	1,698,681	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,292,540	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,094,191	g. Other Misc. Receipts	
6. Total (1. through 5.)	6,085,412	h. Other	
c. Total (a. + b.)	6,085,412	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	517,831	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	64,602	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (SB21-260)	61,134	f. Other Federal	
f. Total (a. through e.)	125,736	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	643,567	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		329,170	329,170
(5). Total Construction (1) + (2) + (3) + (4)	0	329,170	329,170
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	329,170	329,170
			(Carry forward to page 1)

Notes and Comments: