

TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2023

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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, 2023, 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, 2023, 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 33-37 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 Luttrell & Associates, LLC

July 10, 2024

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, 2023. 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 \$445 million, an increase of \$79.31 million, or 22 percent.
- As of December 31, 2023, net position for governmental activities was \$180.9 million, down \$12.7 million or -6.5 percent from December 31, 2022. Business type activities reported a net position of \$264 million, up \$92 million or 53.4 percent in the same time frame.
- General revenues account for \$45,348,736 or 42 percent of all revenues. The Town had \$62,208,078 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$18,732,409 in expenses related to governmental activities, of which \$13,989,586 were offset by program specific charges for services and operating grants, contributions. Taxes of \$34,293,965 and other general revenues of \$6,303,823 as shown on the statement of activities, offset the costs.
- The Town had water, sewer, and drainage charges for service income totaling \$11,533,825. Grants and capital contributions revenues for these funds totaled \$36,684,667. The cost of providing water, sewer, and drainage services totaled \$9,513,895.
- The Town's unassigned fund balance for the General Fund is \$60,660,258, the committed fund balance is \$250,000, and the restricted fund balance is \$1,525,000. 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, land, 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 \$357,858 at December 31, 2023.
- The Town's business-type funds includes outstanding debt of accrued compensated absences totaling \$69,980 at December 31, 2023. It also includes the debt of the bonds issued for a total of \$55,073,452 at December 31, 2023.

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 2023. 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 parks 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, Wastewater, 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, Wastewater, and Drainage Funds. These funds are considered major funds of the Town of Johnstown.

Proprietary fund statements begin on page 6 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 33 to 45 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, 2023, the Town’s combined assets exceeded liabilities and deferred inflows of resources by \$445,181,509.

TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF NET POSITION
2023/2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Assets						
Current Assets	154,315,653	137,476,555	65,666,126	95,316,826	219,981,779	232,793,381
Capital Assets - Net	57,999,840	67,156,303	171,239,509	232,358,128	229,239,349	299,514,431
Total Assets	212,315,493	204,632,858	236,905,635	327,674,954	449,221,128	532,307,812
Deferred Outflow of Resources						
Related to Pensions	355,166	724,694	-	-	355,166	724,694
Liabilities						
Current Liabilities	7,844,568	5,816,486	8,370,234	8,261,856	16,214,802	14,078,342
Long-Term Liabilities	211,904	357,858	56,271,280	55,143,432	56,483,184	55,501,290
Total Liabilities	8,056,472	6,174,344	64,641,514	63,405,288	72,697,986	69,579,632
Deferred Inflows of Resources						
Related to Pensions	454,267	65,149			454,267	65,149
Deferred Revenues	1,515,320	558,404			1,515,320	558,404
Deferred Property Tax Revenue	9,037,722	17,647,812			9,037,722	17,647,812
Net Position						
Net Investment in Capital Assets	57,999,840	67,156,303	171,239,509	232,358,127	229,239,352	299,514,430
Restricted	1,378,000	1,525,000			1,378,000	1,525,000
Unrestricted	134,229,038	112,230,540	1,024,612	31,911,539	135,253,650	144,142,079
Total Net Position at December 31	193,606,878	180,911,843	172,264,121	264,269,666	365,870,999	445,181,509
Total Increase in Net Position						79,310,510
Percent Increase in Net Position						21.68%

A portion of the Town of Johnstown's net position (67.28%) 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 (.34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$144,142,07) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

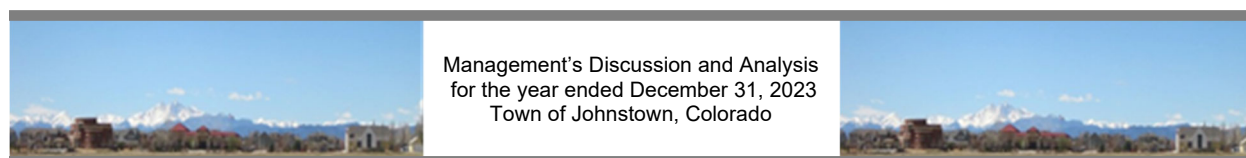
The Town reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate Governmental and Business-type Activities.

TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2023/2022

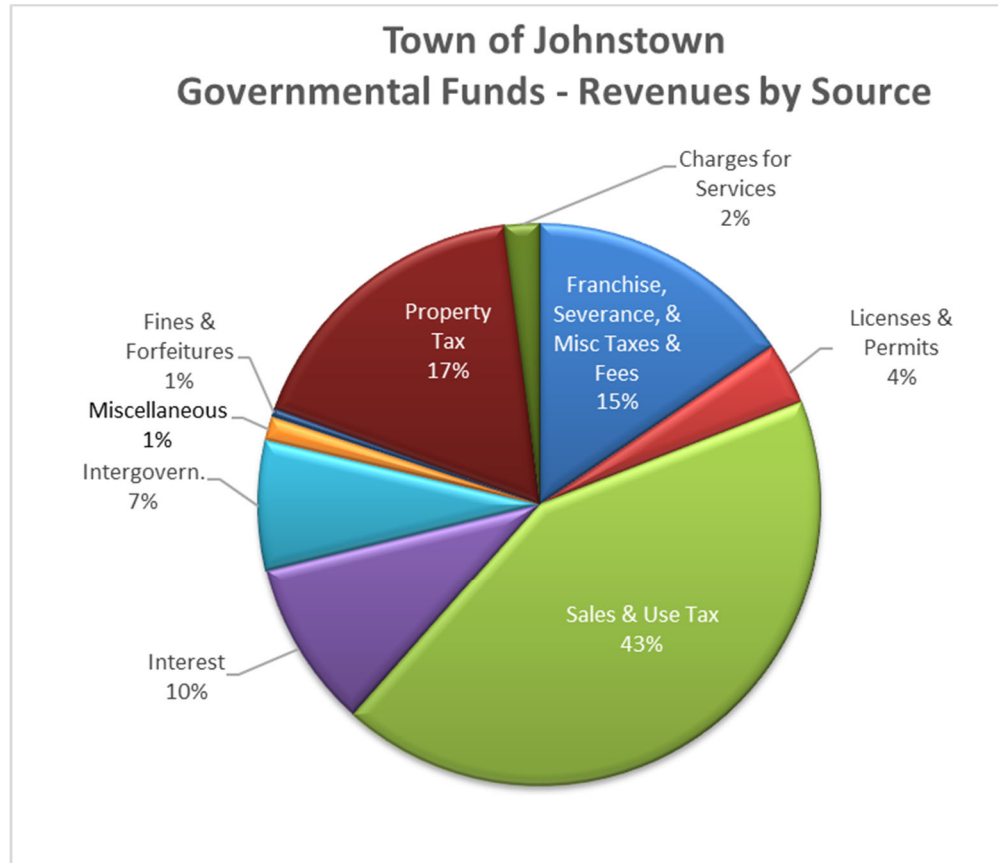
Revenues	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Program Revenues						
Charges for Services	11,485,168	9,917,976	10,755,537	11,533,825	22,240,705	21,451,801
Operating Grants and Contributions	2,515,468	1,905,986			2,515,468	1,905,986
Capital Grants and Contributions	1,851,653	2,165,624	43,937,901	36,684,667	45,789,554	38,850,291
General Revenues						
Property Taxes	8,754,412	9,544,634			8,754,412	9,544,634
Sales and Use Taxes	21,780,377	23,192,073			21,780,377	23,192,073
Franchise Taxes	695,140	643,539			695,140	643,539
Other Taxes	(816,763)	913,719			-816,763	913,719
Interest	754,395	5,257,688	1,210,593	4,750,948	1,964,988	10,008,636
Other Revenues	2,656,251	1,046,135			2,656,251	1,046,135
Loss on Disposal of Assets					0	0
Total Revenues	49,676,101	54,587,374	55,904,031	52,969,440	105,580,132	107,556,814
Expenses						
General Government	1,799,419	3,089,890			1,799,419	3,089,890
Public Safety	3,901,872	3,669,342			3,901,872	3,669,342
Public Works	19,262,188	9,473,458			19,262,188	9,473,458
Health and Welfare					0	0
Culture and Recreation	(6,670,911)	2,499,719			-6,670,911	2,499,719
Water			4,317,357	4,544,672	4,317,357	4,544,672
Sewer			1,669,379	2,641,616	1,669,379	2,641,616
Drainage			323,290	374,457	323,290	374,457
Interest on Long-Term Debt			1,953,150	1,953,150	1,953,150	1,953,150
Total Expenses	18,292,568	18,732,409	8,263,176	9,513,895	26,555,744	28,246,304
Excess (deficiency) before transfers						
Transfers	-	(48,550,000)		48,550,000	\$ -	\$ -
Prior Period Adjustment	-	-	21,201,375		21,201,375	0
Change in Net Position	31,383,533	(12,695,035)	47,640,855	92,005,545	79,024,388	79,310,510
NET POSITION, Beginning	162,223,345	193,606,878	103,421,891	172,264,121	265,645,236	365,870,999
NET POSITION, Ending	<u>193,606,878</u>	<u>180,911,843</u>	<u>172,264,121</u>	<u>264,269,666</u>	<u>365,870,999</u>	<u>445,181,509</u>

Financial Analysis of the Town's Funds

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



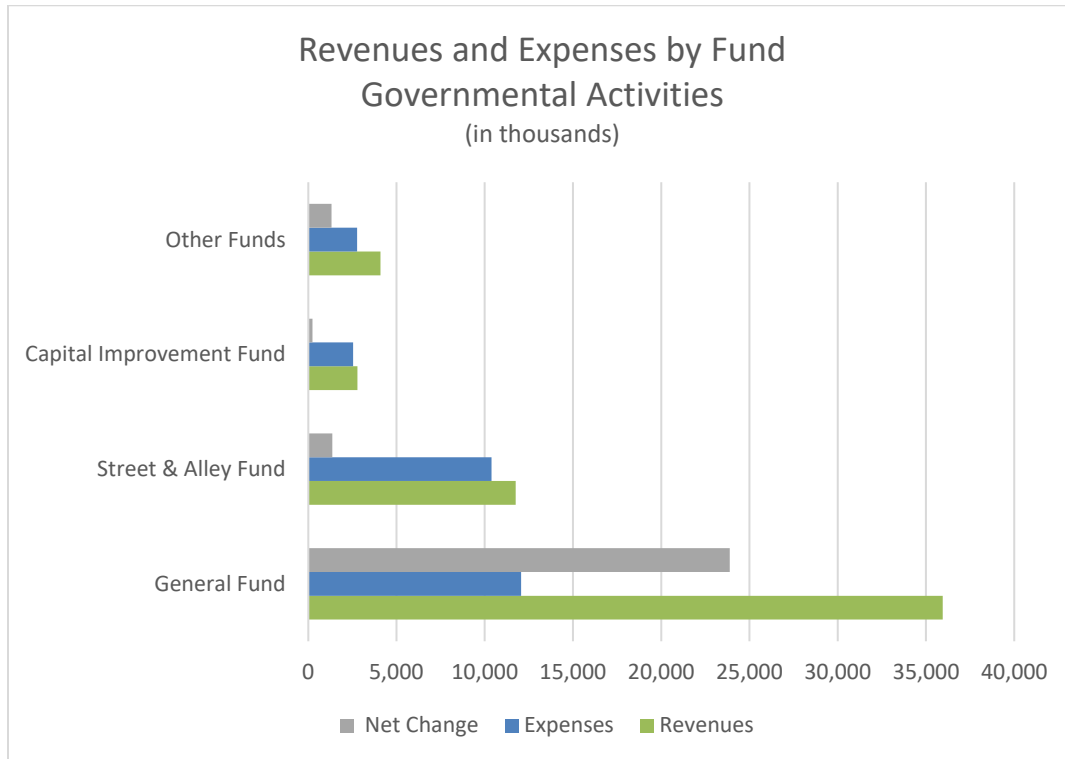
As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$113,563,531, a decrease of \$21,730,131. Overall revenue increased \$4,911,273 million or 9.9%. Areas of substantial revenue increase included taxes and fees \$1,112,860 and interest \$4,503,293. The General Fund revenue increases are primarily the result of an economy that continued to grow and the resulting sales tax collections and interest rates.



Expenditures for the governmental funds for the current year decreased \$422,402 or -1.5%. Expenses for the General Fund capital outlay increased \$2,130,783 while the expenditures for public works decreased \$3,484,605. In 2023, the Street and Alley Fund recognized expenditures of \$10,384,511 in road and paving projects and the Capital Improvement Fund recognized capital expenditures of \$2,547,394 for the I-25 interchange project and the wayfinding project.

The statement of net position reports a combined net position for governmental activities of \$180,911,843, a decrease of \$12,695,035. The decrease is primarily attributed to a decrease in cash.

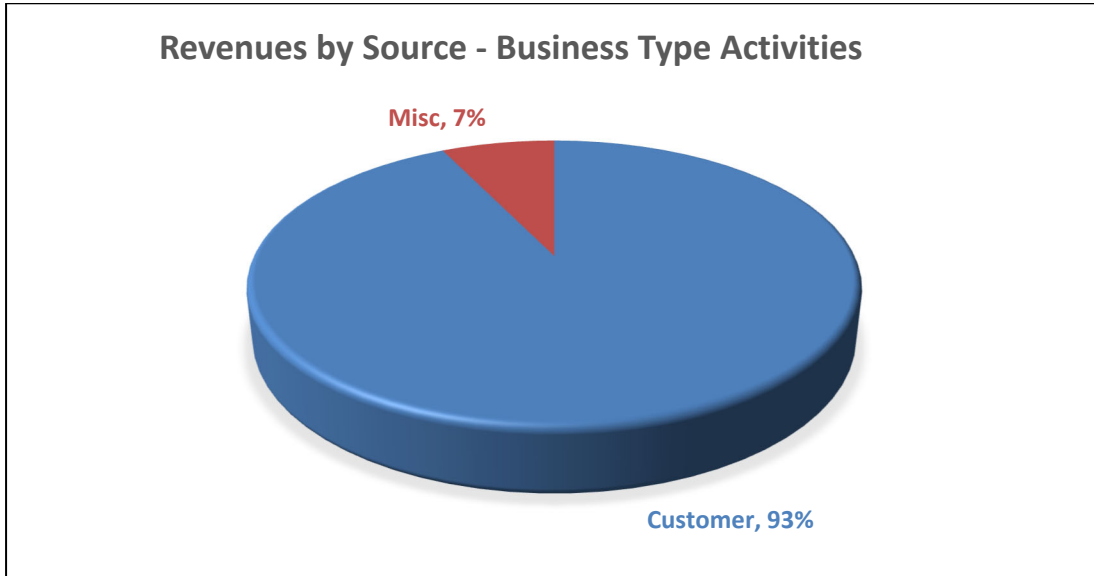
The graph below provides the program revenue and expenses (excluding transfers) for each governmental activity as well as providing net change.



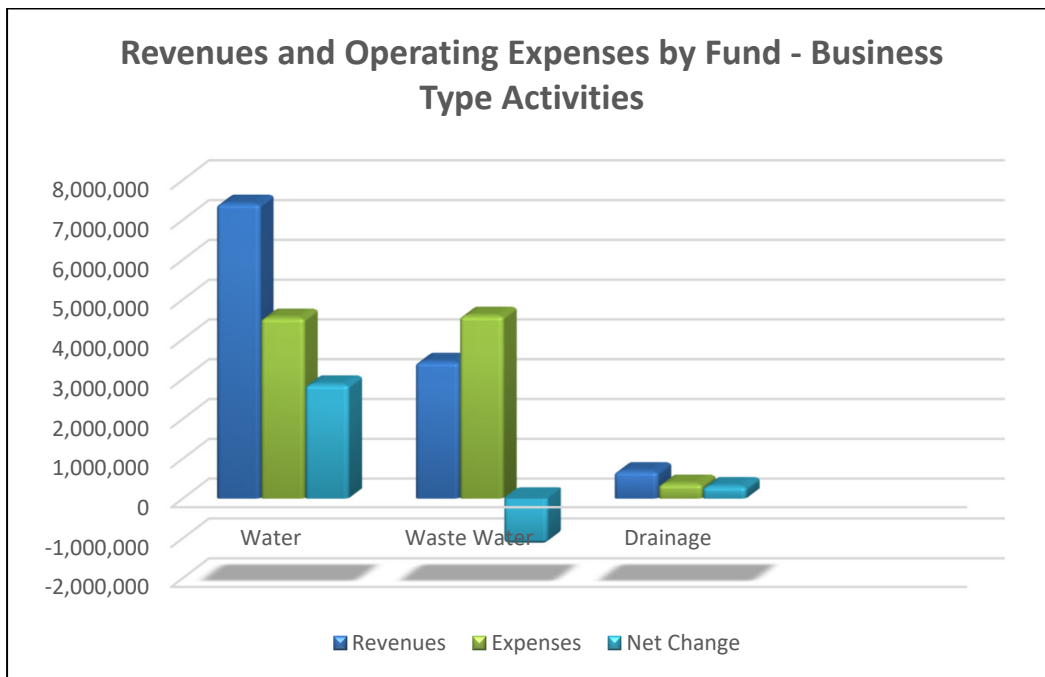
Business-type Activities. Net position of business-type activities increased by \$92,005,545 million primarily due to an increase in cash and capital assets in all business type funds. The Water Fund increased \$34,804,647, the Wastewater Fund increased \$56,970,347 and the Drainage Fund increased \$230,551. This net position is dedicated solely to finance the continuing operations of the water, wastewater, and drainage operations.

Revenues for the Town's business-type activities, were \$11,533,825, a 7.2 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 \$519,256, and miscellaneous operating revenues increased \$259,131. Total operating revenues increased \$778,288. Operating expenses increased \$1,250,719 across all funds. Water operation costs increased \$227,314 in 2023 primarily due to increases in materials costs and the costs associated with the GAC system. Wastewater operations increased \$972,237 due to increased utility and chemical costs as well as increased depreciation costs. Drainage Fund operating expenses increased \$51,167 primarily due to depreciation costs.

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 2023, total fund balance decreased \$27,251,162. The reduction is due to a grant to the Wastewater Fund. The unassigned fund balance of the General Fund at the end of 2023, totaled \$660,258 while the total fund balance totaled \$83,461,541. 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 2023, unassigned fund balance represents approximately 5.02 times the total General Fund Expenditures, while total fund balance represents 5.17 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 2024 and 2025. Preliminary estimates of the design and construction projects will move the unassigned fund balance from 5.02 times to 1 times the total General Fund Expenditures by 2025.

The Town budgeted for General Fund expenditures of \$12,852,839 for the year ended December 31, 2023 and actual expenditures were \$12,062,322. Expenditures were \$790,517 less than budgeted as a result of a budget amendment to include the purchase of land. Revenues, excluding transfers, for 2023 were budgeted at \$22,354,234 and actual revenues were \$35,949,928. 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 2023, the Town had invested \$299,514,430 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 \$70,275,081 or 30.7 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 was \$12,228,514 in the governmental activities and \$12,577,236 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 \$357,858 at December 31, 2023.

The Town's business-type funds have long term debt totaling \$55,143,432 consisting of Bonds, Series 2021, with premium totaling \$55,073,452, and accrued compensated absences of \$69,980 at December 31, 2023.

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 \$17,522 in lot sales and investment revenues and recognized no expenditures. The fund balance at December 31, 2023, is \$186,210.

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 2024:

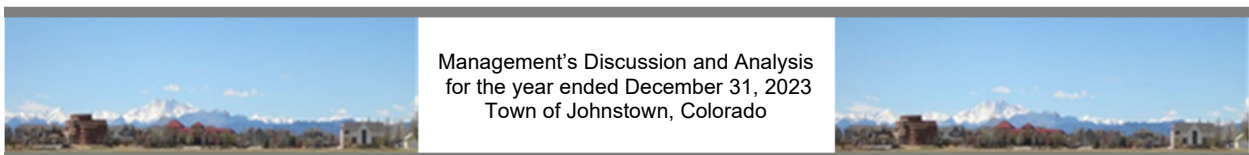
- The Town has forecast most revenues as relatively steady from 2023 through 2024. Revenues from property taxes are expected to increase 2024 due to a reassessment year. Revenues from sales taxes are projected to increase as a result of consistent residential and commercial growth. Building permit revenues 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 \$20,296,170. Capital projects planned for 2024 include the Downtown Masterplan, construction of the Police Department building expansion, new vehicles for the Police Department, and an addition of an engineering department.
- The Town's business-type activities are expected to have revenues that increase in 2024. A water and sewer rate study was completed by a third-party contractor. New rates were approved, with annual increases, by Council to begin in 2024. This will provide assurance for stable funding for both operations and capital projects.

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, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2023	2022
ASSETS				
Cash and Investments	\$ 112,265,563	\$ 94,649,429	\$ 206,914,992	\$ 202,771,494
Restricted Cash and Investments	2,623,544	-	2,623,544	2,603,482
Receivables				
Property Taxes	17,647,812	-	17,647,812	9,037,722
Sales and Other	4,678,438	-	4,678,438	3,953,442
Accounts	-	659,504	659,504	928,229
Prepaid Items	261,198	7,893	269,091	63,029
Net Pension Asset	-	-	-	624,381
Capital Assets, Not Depreciated	19,185,344	197,009,111	216,194,455	142,655,007
Capital Assets, Depreciated				
Net of Accumulated Depreciation	47,970,959	35,349,016	83,319,975	86,584,342
TOTAL ASSETS	<u>204,632,858</u>	<u>327,674,953</u>	<u>532,307,811</u>	<u>449,221,128</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	724,694	-	724,694	355,166
LIABILITIES				
Accounts Payable	1,917,295	7,913,913	9,831,208	10,929,897
Accrued Salaries and Benefits	390,018	56,138	446,156	693,823
Lease Payable	-	37,454	37,454	71,334
Accrued Interest	-	162,763	162,763	162,763
Developer Escrow	3,399,495	-	3,399,495	4,267,398
Deposits	-	91,587	91,587	89,587
Due within One Year				
Accrued Compensated Absences	357,858	69,980	427,838	267,644
Bonds, Loans and Leases	-	855,000	855,000	810,000
Due in More Than One Year				
Net Pension Liability	109,678		109,678	
Bonds, Loans and Leases		54,218,452	54,218,452	55,405,540
TOTAL LIABILITIES	<u>6,174,344</u>	<u>63,405,287</u>	<u>69,579,631</u>	<u>72,697,986</u>
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	65,149	-	65,149	454,267
Deferred Revenues	558,404	-	558,404	1,515,320
Deferred Property Tax Revenue	17,647,812	-	17,647,812	9,037,722
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>18,271,365</u>	<u>-</u>	<u>18,271,365</u>	<u>11,007,309</u>
NET POSITION				
Net Investment in Capital Assets	67,156,303	232,358,127	299,514,430	229,239,349
Restricted for Emergencies	1,525,000	-	1,525,000	1,378,000
Unrestricted	112,230,540	31,911,539	144,142,079	135,253,650
TOTAL NET POSITION	<u>\$ 180,911,843</u>	<u>\$ 264,269,666</u>	<u>\$ 445,181,509</u>	<u>\$ 365,870,999</u>

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

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 3,089,890	\$ 3,253,277	\$ 89,843	\$ 475,832
Public Safety	3,669,342	892,458	-	-
Public Works	9,473,458	3,816,052	-	1,563,053
Culture and Recreation	2,499,719	1,956,189	1,816,143	126,739
Total Governmental Activities	18,732,409	9,917,976	1,905,986	2,165,624
Business-Type Activities				
Water	4,544,672	7,411,895	-	31,365,023
Wastewater	2,641,616	3,433,362	-	5,319,644
Drainage	374,457	688,568	-	-
Interest on Long Term Debt	1,953,150	-	-	-
Total Business-Type Activities	9,513,895	11,533,825	-	36,684,667
Total Primary Government	\$ 28,246,304	\$ 21,451,801	\$ 1,905,986	\$ 38,850,291

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	
		2023	2022
\$ 729,062	\$ -	\$ 729,062	\$ 2,850,732
(2,776,884)	-	(2,776,884)	(2,945,144)
(4,094,353)	-	(4,094,353)	(13,920,281)
1,399,352	-	1,399,352	11,574,414
<u>(4,742,823)</u>	<u>-</u>	<u>(4,742,823)</u>	<u>(2,440,279)</u>
-	34,232,246	34,232,246	37,252,026
-	6,111,390	6,111,390	10,141,970
-	314,111	314,111	989,416
	<u>(1,953,150)</u>	<u>(1,953,150)</u>	<u>(1,953,150)</u>
<u>-</u>	<u>38,704,597</u>	<u>38,704,597</u>	<u>46,430,262</u>
(4,742,823)	38,704,597	33,961,774	43,989,983
23,192,073	-	23,192,073	21,780,377
9,544,634	-	9,544,634	8,754,412
643,539	-	643,539	695,140
913,719	-	913,719	(816,763)
5,257,688	4,750,948	10,008,636	1,964,988
1,046,135	-	1,046,135	2,656,251
<u>(48,550,000)</u>	<u>48,550,000</u>	<u>-</u>	<u>-</u>
<u>(7,952,212)</u>	<u>53,300,948</u>	<u>45,348,736</u>	<u>35,034,405</u>
(12,695,035)	92,005,545	79,310,510	79,024,388
<u>-</u>	<u>-</u>	<u>-</u>	<u>21,201,375</u>
<u>193,606,878</u>	<u>172,264,121</u>	<u>365,870,999</u>	<u>265,645,236</u>
<u>\$ 180,911,843</u>	<u>\$ 264,269,666</u>	<u>\$ 445,181,509</u>	<u>\$ 365,870,999</u>

TOWN OF JOHNSTOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 59,912,453	\$ 21,632,951	\$ 11,704,882	\$ 19,015,277
Restricted Cash and Investments	2,359,475	-	-	264,069
Taxes Receivable	17,647,812	-	-	-
Accounts Receivable	3,500,310	821,615	130,221	226,292
Prepaid Items	41,491	1,973	216,747	987
TOTAL ASSETS	\$ 83,461,541	\$ 22,456,539	\$ 12,051,850	\$ 19,506,625
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 412,757	\$ 1,257,624	\$ 156,573	\$ 90,341
Accrued Liabilities	158,297	17,998	113,456	100,267
Developer Escrows and Deposits	2,207,522	496,765	695,208	-
TOTAL LIABILITIES	2,778,576	1,772,387	965,237	190,608
DEFERRED INFLOWS OF RESOURCES				
Deferred Grant Revenue	558,404	-	-	-
Deferred Property Tax Revenue	17,647,812	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	18,206,216	-	-	-
FUND EQUITY				
Fund Balance				
Nonspendable	41,491	1,973	216,747	987
Restricted for Emergencies	1,525,000	-	-	-
Restricted for Culture and Recreation	-	-	-	10,610,421
Restricted for Parks & Recreation	-	-	-	8,518,399
Restricted for Capital Improvements	-	20,682,179	10,869,866	-
Restricted for Cemetery Maintenance	-	-	-	186,210
Committed for Recreation Center	250,000	-	-	-
Unassigned	60,660,258	-	-	-
TOTAL FUND EQUITY	62,476,749	20,684,152	11,086,613	19,316,017
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 83,461,541	\$ 22,456,539	\$ 12,051,850	\$ 19,506,625

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 (\$357,858), Net Pension Liability (\$109,678), Deferred Outflows Related to Pensions \$724,694, and Deferred Inflows Related to Pensions of (\$65,149).

Net position of governmental activities

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

TOTAL GOVERNMENTAL
FUNDS

2023	2022
\$ 112,265,563	\$ 138,063,904
2,623,544	2,603,482
17,647,812	9,037,722
4,678,438	3,953,442
261,198	32,722
<u>\$ 137,476,555</u>	<u>\$ 153,691,272</u>

\$ 1,917,295	\$ 2,941,284
390,018	635,886
3,399,495	4,267,398
<u>5,706,808</u>	<u>7,844,568</u>

558,404	1,515,320
17,647,812	9,037,722
<u>18,206,216</u>	<u>10,553,042</u>

261,198	-
1,525,000	1,378,000
10,610,421	8,539,939
8,518,399	8,124,691
31,552,045	28,732,433
186,210	168,688
250,000	250,000
60,660,258	88,099,911
<u>113,563,531</u>	<u>135,293,662</u>

67,156,303	57,999,840
192,009	313,376
<u>\$ 180,911,843</u>	<u>\$ 193,606,878</u>

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
REVENUES				
Taxes and Fees	\$ 28,740,048	\$ 8,711,787	\$ 1,845,970	\$ 1,889,222
Licenses and Permits	1,968,577	-	-	-
Intergovernmental	1,057,965	1,579,128	-	1,434,517
Charges for Services	-	1,018,947	-	66,967
Fines and Forfeitures	280,799	-	-	-
Interest Income	3,250,397	439,499	945,189	622,603
Miscellaneous	652,142	5,675	-	77,942
TOTAL REVENUES	<u>35,949,928</u>	<u>11,755,036</u>	<u>2,791,159</u>	<u>4,091,251</u>
EXPENDITURES				
General Government	2,747,956	-	-	-
Public Safety	4,283,764	-	-	-
Public Works	2,730,432	1,239,031	8,861	-
Culture and Recreation	698,114	-	-	1,788,084
Capital Outlay	1,602,056	9,145,480	2,538,533	985,194
TOTAL EXPENDITURES	<u>12,062,322</u>	<u>10,384,511</u>	<u>2,547,394</u>	<u>2,773,278</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>23,887,606</u>	<u>1,370,525</u>	<u>243,765</u>	<u>1,317,973</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	104,156	1,450,000	-	1,242,924
Transfers Out	<u>(51,242,924)</u>	<u>-</u>	<u>(25,958)</u>	<u>(78,198)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(51,138,768)</u>	<u>1,450,000</u>	<u>(25,958)</u>	<u>1,164,726</u>
NET CHANGE IN FUND BALANCES	(27,251,162)	2,820,525	217,807	2,482,699
FUND BALANCES, Beginning	<u>89,727,911</u>	<u>17,863,627</u>	<u>10,868,806</u>	<u>16,833,318</u>
FUND BALANCES, Ending	<u>\$ 62,476,749</u>	<u>\$ 20,684,152</u>	<u>\$ 11,086,613</u>	<u>\$ 19,316,017</u>

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

TOTAL GOVERNMENTAL
FUNDS

2023	2022
\$ 41,187,027	\$ 40,074,167
1,968,577	2,582,811
4,071,610	4,367,121
1,085,914	1,031,920
280,799	243,213
5,257,688	754,395
735,759	622,474
54,587,374	49,676,101
2,747,956	2,534,277
4,283,764	4,115,595
3,978,324	7,462,929
2,486,198	1,936,626
14,271,263	12,140,480
27,767,505	28,189,907
26,819,869	21,486,194
2,797,080	3,072,095
(51,347,080)	(3,072,095)
(48,550,000)	-
(21,730,131)	21,486,194
135,293,662	113,807,468
\$ 113,563,531	\$ 135,293,662

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, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (21,730,131)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$10,957,187, exceeded depreciation (\$1,800,724), in the current year.	9,156,463
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.	(145,954)
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>24,587</u>
Change in Net Position of Governmental Activities	<u><u>\$ (12,695,035)</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, 2023

ASSETS	WATER	WASTE	DRAINAGE	TOTALS	
	FUND	FUND		2023	2022
Current Assets					
Cash and Investments	\$ 23,450,653	\$ 66,814,600	\$ 4,384,176	\$ 94,649,429	\$ 64,707,590
Accounts Receivable, net	305,893	306,917	46,694	659,504	928,229
Prepaid Expenses	2,960	2,960	1,973	7,893	30,307
Total Current Assets	23,759,506	67,124,477	4,432,843	95,316,826	65,666,126
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	152,343,644	78,690,741	1,323,742	232,358,127	171,239,509
TOTAL ASSETS	176,103,150	145,815,218	5,756,585	327,674,953	236,905,635
LIABILITIES					
Current Liabilities					
Accounts Payable	1,529,130	6,377,279	7,504	7,913,913	7,988,613
Accrued Expenses	24,836	27,090	4,212	56,138	57,937
Lease Payable	18,727	18,727	-	37,454	71,334
Accrued Interest	-	162,763	-	162,763	162,763
Total Current Liabilities	1,572,693	6,585,859	11,716	8,170,268	8,280,647
Noncurrent Liabilities					
Deposits	76,682	14,905	-	91,587	89,587
Accrued Compensated Absences	32,516	24,822	12,642	69,980	55,740
Due within One Year	-	855,000	-	855,000	810,000
Due in More Than One Year	-	54,218,452	-	54,218,452	55,405,540
Total Noncurrent Liabilities	109,198	55,113,179	12,642	55,235,019	56,360,867
TOTAL LIABILITIES	1,681,891	61,699,038	24,358	63,405,287	64,641,514
NET POSITION					
Net Investment in Capital Assets	152,343,644	78,690,741	1,323,742	232,358,127	171,239,509
Unrestricted	22,077,615	5,425,439	4,408,485	31,911,539	1,024,612
TOTAL NET POSITION	\$ 174,421,259	\$ 84,116,180	\$ 5,732,227	\$ 264,269,666	\$ 172,264,121

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, 2023

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2023	2022
OPERATING REVENUES					
Charges for Services	\$ 6,630,623	\$ 3,385,665	\$ 688,568	\$ 10,704,856	\$ 10,185,699
Miscellaneous	781,272	47,697	-	828,969	569,838
TOTAL OPERATING REVENUES	7,411,895	3,433,362	688,568	11,533,825	10,755,537
OPERATING EXPENSES					
Administration	243,555	226,678	134,106	604,339	581,279
Operations	3,748,759	1,785,217	198,675	5,732,651	4,966,073
Depreciation	552,358	629,721	41,676	1,223,755	762,674
TOTAL OPERATING EXPENSES	4,544,672	2,641,616	374,457	7,560,745	6,310,026
OPERATING INCOME	2,867,223	791,746	314,111	3,973,080	4,445,511
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	1,172,401	3,412,107	166,440	4,750,948	1,210,593
Grant Income	-	2,564,500	-	2,564,500	4,387,299
Debt Service	-	(1,953,150)	-	(1,953,150)	(1,953,150)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,172,401	4,023,457	166,440	5,362,298	3,644,742
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFER	4,039,624	4,815,203	480,551	9,335,378	8,090,253
Capital Contributions	31,365,023	2,755,144	-	34,120,167	39,550,602
Transfers In	-	49,400,000	-	49,400,000	-
Transfers Out	(600,000)	-	(250,000)	(850,000)	-
NET INCOME	34,804,647	56,970,347	230,551	92,005,545	47,640,855
NET POSITION, Beginning as Previously Reported	139,616,612	27,145,833	5,501,676	172,264,121	103,421,891
Prior Period Adjustment	-	-	-	-	21,201,375
NET POSITION, Beginning, as restated	139,616,612	27,145,833	5,501,676	172,264,121	124,623,266
NET POSITION, Ending	\$ 174,421,259	\$ 84,116,180	\$ 5,732,227	\$ 264,269,666	\$ 172,264,121

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, 2023
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 7,526,763	\$ 3,387,911	\$ 887,876	\$ 11,802,550	\$ 8,789,463
Cash Paid to Suppliers	(4,479,119)	(1,539,508)	(358,208)	(6,376,835)	(4,278,089)
Net Cash Provided by Operating Activities	<u>3,047,644</u>	<u>1,848,403</u>	<u>529,668</u>	<u>5,425,715</u>	<u>4,511,374</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(29,550,328)	(32,752,737)	(39,308)	(62,342,373)	(70,663,946)
Capital Contributions	31,365,023	2,755,144	-	34,120,167	39,550,602
Proceeds from Capital Grants	-	2,564,500	-	2,564,500	4,387,299
Payments of Debt	(16,940)	(1,159,028)	-	(1,175,968)	(365,312)
Interest Payments	-	(1,953,150)	-	(1,953,150)	(1,953,150)
Deposits from Customers	2,000	-	-	2,000	13,312
Payments from Other Funds	(600,000)	49,400,000	(250,000)	48,550,000	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,199,755</u>	<u>18,854,729</u>	<u>(289,308)</u>	<u>19,765,176</u>	<u>(29,031,195)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	<u>1,172,401</u>	<u>3,412,107</u>	<u>166,440</u>	<u>4,750,948</u>	<u>1,210,593</u>
Net Cash Provided by Investing Activities	<u>1,172,401</u>	<u>3,412,107</u>	<u>166,440</u>	<u>4,750,948</u>	<u>1,210,593</u>
Net Increase in Cash and Cash Equivalents	5,419,800	24,115,239	406,800	29,941,839	(23,309,228)
CASH AND INVESTMENTS, Beginning	<u>18,030,853</u>	<u>42,699,361</u>	<u>3,977,376</u>	<u>64,707,590</u>	<u>88,016,818</u>
CASH AND INVESTMENTS, Ending	<u>\$ 23,450,653</u>	<u>\$ 66,814,600</u>	<u>\$ 4,384,176</u>	<u>\$ 94,649,429</u>	<u>\$ 64,707,590</u>
OPERATING ACTIVITIES					
Operating Income	\$ 2,867,223	\$ 791,746	\$ 314,111	\$ 3,973,080	\$ 4,445,511
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	552,358	629,721	41,676	1,223,755	762,674
Changes in Assets and Liabilities					
Accounts Receivable	114,868	(45,451)	199,308	268,725	(56,067)
Grants Receivable	-	-	-	-	-
Prepaid Expenses	10,358	12,084	(28)	22,414	(19,878)
Accounts Payable	(503,879)	453,887	(24,708)	(74,700)	1,249,487
Accrued Expenses	23	1,019	(2,841)	(1,799)	30,140
Deferred Revenues	-	-	-	-	(1,910,007)
Accrued Compensated Absences	6,693	5,397	2,150	14,240	9,514
Due within One Year	-	45,000	-	45,000	-
Total Adjustments	<u>180,421</u>	<u>1,056,657</u>	<u>215,557</u>	<u>1,452,635</u>	<u>65,863</u>
Net Cash Provided by Operating Activities	<u>\$ 3,047,644</u>	<u>\$ 1,848,403</u>	<u>\$ 529,668</u>	<u>\$ 5,425,715</u>	<u>\$ 4,511,374</u>

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, the Town reported 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, 2023

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, 2023

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, 2023, follows:

Petty Cash	\$	995
Cash Deposits		10,655,444
Investments		<u>198,882,097</u>
Total		<u>\$209,538,536</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

Governmental Activities - Unrestricted	\$ 112,265,563
Governmental Activities – Restricted	2,623,544
Business-type Activities- Unrestricted	<u>94,649,429</u>
Total	<u>\$209,538,536</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, 2023, 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, 2023, the Town had deposits with financial institutions with a carrying amount of \$10,655,444. The bank balances with the financial institutions were \$13,107,357. Of these balances, \$250,000 was covered by federal depository insurance and \$12,857,357 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2023, 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	\$ 17,751,494	\$ 15,588,633	\$ 2,162,861
U.S. Government Agencies	20,997,394	19,907,528	1,089,866
Money Market Funds	13,062	13,062	-
Local Government Investment Pools	<u>160,120,147</u>	<u>160,120,147</u>	<u>-</u>
Total	<u>\$ 198,882,097</u>	<u>\$ 195,629,370</u>	<u>\$ 3,252,727</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023, 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 \$77,877,874 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, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools (Continued)

The Town had invested \$82,242,273 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 \$13,062 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, 2023, the Town held investments in U.S. Government Securities and U.S. Government Agencies in the amount of \$17,751,494 and \$20,997,394, 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, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Restricted Cash and Investments

Cash and Investment in the amount of \$2,359,475 are restricted in the General Fund for developer and escrow deposits and funds in the amount of \$264,069 are restricted in the Conservation Trust Fund for parks and recreation.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 is summarized below:

	Balances <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/2023</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 2,639,493	\$ 662,832	\$ -	\$ 3,302,325
Water Shares	962,500	-	-	962,500
Construction in Progress	<u>5,803,899</u>	<u>9,116,620</u>	<u>-</u>	<u>14,920,519</u>
Total Capital Assets, not depreciated	<u>9,405,892</u>	<u>9,779,452</u>	<u>-</u>	<u>19,185,344</u>
Capital Assets, depreciated				
Buildings	40,448,831	-	-	40,448,831
Improvements	3,579,104	127,324	-	3,706,428
Infrastructure	8,144,631	-	-	8,144,631
Equipment	<u>6,849,172</u>	<u>1,050,411</u>	<u>-</u>	<u>7,899,583</u>
Total Capital Assets, depreciated	<u>59,021,738</u>	<u>1,177,735</u>	<u>-</u>	<u>60,199,473</u>
Less Accumulated Depreciation				
Buildings	4,605,756	805,856	-	5,411,612
Improvements	1,102,123	89,925	-	1,192,048
Infrastructure	407,450	176,357	-	583,807
Equipment	<u>4,312,461</u>	<u>728,586</u>	<u>-</u>	<u>5,041,047</u>
Total Accumulated Depreciation	<u>10,427,790</u>	<u>1,800,724</u>	<u>-</u>	<u>12,228,514</u>
Total Capital Assets, depreciated, Net	<u>48,593,948</u>	<u>(622,989)</u>	<u>-</u>	<u>47,970,959</u>
Governmental Activities, Capital Assets, Net	<u>\$ 57,999,840</u>	<u>\$ 9,156,463</u>	<u>\$ -</u>	<u>\$ 67,156,303</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 930,667
Public Safety	277,534
Public Works	369,351
Culture and Recreation	<u>223,172</u>
Total	<u>\$ 1,800,724</u>

	Balances (Restated)			Balances
	<u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2023</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 252,365	\$ 180,962	\$ -	\$ 433,327
Water Rights	96,468,728	26,035,697	-	122,504,425
Lease Assets	71,333	-	33,878	37,455
Construction in Progress	<u>46,428,306</u>	<u>36,020,760</u>	<u>8,415,162</u>	<u>74,033,904</u>
Total Capital Assets, not depreciated	<u>143,220,732</u>	<u>62,237,419</u>	<u>8,449,040</u>	<u>197,009,111</u>
Capital Assets, depreciated				
Utility Systems	37,864,200	8,289,024	-	46,153,224
Equipment	<u>1,508,058</u>	<u>264,971</u>	<u>-</u>	<u>1,773,028</u>
Total Capital Assets, depreciated	<u>39,372,257</u>	<u>8,553,995</u>	<u>-</u>	<u>47,926,252</u>
Less: Accumulated Depreciation				
Utility Systems	10,897,637	1,100,583	-	11,998,220
Equipment	<u>455,843</u>	<u>123,173</u>	<u>-</u>	<u>579,016</u>
Total Accumulated Depreciation	<u>11,353,480</u>	<u>1,223,756</u>	<u>-</u>	<u>12,577,236</u>
Total Capital Assets, depreciated, Net	<u>28,018,777</u>	<u>7,330,239</u>	<u>-</u>	<u>35,349,016</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 171,239,509</u>	<u>\$ 69,567,658</u>	<u>\$ 8,449,040</u>	<u>\$ 232,358,127</u>

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

Business-type Activities

Water Fund	\$ 552,359
Wastewater Fund	629,721
Drainage Fund	<u>41,676</u>
Total	<u>\$ 1,223,756</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023.

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, 2023.

	Balance <u>12/31/2022</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2023</u>	Due In <u>One Year</u>
Accrued Compensated Absences	\$ 211,904	\$ 145,954	\$ -	\$ 357,858	\$ -

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, 2023.

	Balance <u>12/31/2022</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2023</u>	Due In <u>One Year</u>
Bonds, Series 2021 Premium	\$46,585,000	-	810,000	\$45,775,000	\$ 855,000
Accrued Compensated Absences	9,630,540	-	332,088	9,298,452	-
	55,740	14,240	-	69,980	-
	\$ 56,271,280	\$ 14,240	\$ 1,142,088	\$ 55,143,432	\$ 855,000

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, 2023

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the bonds at December 31, 2023, are as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	990,000	1,777,900	2,767,900
2028	1,040,000	1,728,400	2,768,400
2029-2033	6,020,000	7,821,150	13,841,150
2034-2038	7,395,000	6,437,800	13,832,800
2039-2043	9,005,000	4,835,000	13,840,000
2044-2048	10,950,000	2,884,400	13,834,400
2049-2051	<u>7,680,000</u>	<u>622,400</u>	<u>8,302,400</u>
Total Debt Service Requirements	<u>\$45,775,000</u>	<u>\$31,714,500</u>	<u>\$77,489,500</u>

NOTE 6: INTERFUND AMOUNTS

Interfund transfers for the year ended December 31, 2022, were comprised of the following:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
Wastewater Fund	General Fund	\$ 49,400,000
Library Fund	General Fund	1,242,924
Street and Alley Fund	General Fund	600,000
Street and Alley Fund	Water Fund	600,000
Street and Alley Fund	Drainage Fund	250,000
General Fund	Capital Improvement Fund	25,958
General Fund	Library Fund	<u>78,198</u>
Total		<u>\$ 52,197,080</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 6: INTERFUND AMOUNTS (Continued)

The General Fund funded the Library Fund \$1,242,924 for general operating support and will be reimbursed in 2024.

The Street and Alley Fund received an advance of \$600,000, \$600,000 and \$250,000 from General Fund, Water Fund, and Drainage Fund for the Charlotte St. Improvement project.

The General Fund received funds from the Capital Improvement Fund for use tax related to developer reimbursement agreements in the amount of \$25,958.

The General Fund received funds from the Library Fund of \$78,198 for the Arts and Culture and Historical portions of Impact Fees.

The \$49,400,000 transfer from the General Fund to the Wastewater Fund is a loan that was budgeted for 2023 for infrastructure expansion.

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, 2023, the Town reimbursed sales taxes to the owners of the 2534 Development property in the amount of \$526,985.

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.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies (Continued)

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

General Information about the Plan

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

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2022, 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).

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).

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.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Plan (Continued)

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, 2023, 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 2023 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2022 and 2023. Employer contributions will increase 0.5 percent annually beginning in 2023 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. 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 reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 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 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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

At December 31, 2023, the District reported a liability in the amount of \$109,678 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The District's proportion of the net pension asset was based on the District's contributions to the SWDB Plan for the calendar year 2022 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2021 the City's proportion was 0.12357%, which was an increase of 0.00835% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023 the District recognized a pension expense of \$73,984. At December 31, 2023, the District 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	\$237,414	\$13,462
Net difference between projected and actual earnings on pension plan investments	\$248,197	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$51,687
Change in assumptions and other inputs	\$140,512	N/A
Contributions subsequent to the measurement date	\$98,571	N/A
Total	\$724,694	\$65,149

\$98,571 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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)

Year ended December 31	
2023	\$51,870
2024	\$98,748
2025	\$141,852
2026	\$198,608
2027	\$36,417
Thereafter	\$33,479

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2023
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, 2022
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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected to projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 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 2022 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, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit 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).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 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)	\$756,103	\$109,678	(\$425,772)

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

An updated Retirement Plan policy was established in 2022 for the deferred compensation plans. The 401a plan requires all full-time employees to contribute 3% and the town contributes 6%.

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. Full-time employees are eligible to participate in the plan upon hire and are immediately vested. Eligible employees will receive a match into their 401a plan for the first 6% they contribute to the 457 plan. The total maximum amount the Town will contribute to the 401a plan is 12%; 6% based on mandatory 401a participation and up to 6% in matching funds based on the employee's election to the 457b plan. Full-time Library employees will receive 4.2% from the Library regardless of the amount they contribute.

The Town contributed \$201,817, and \$475,394, and \$582,161 to the plans for the years ended December 31, 2021, 2022, and 2023 respectively, equal to the required contributions.

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, 2023, the Town paid an operating subsidy to the YMCA the amount of \$458,333, equal to the amount required per the terms of this agreement.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

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.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$1,525,000 was recorded in the General Fund.

NOTE 12: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 10, 2024. It was determined that the following event requires disclosure:

The Town is pursuing a water bond issuance of \$72 million at 4.35% interest in August 2024 that will be repaid over 30 years, for the purpose of building a new water treatment plant.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes and Fees	\$ 19,417,534	\$ 19,417,534	\$ 28,740,048	\$ 9,322,514	\$ 27,448,150
Licenses and Permits	1,957,100	1,957,100	1,968,577	11,477	2,582,811
Intergovernmental	35,000	35,000	1,057,965	1,022,965	2,495,231
Charges for Services	-	-	-	-	-
Fines and Forfeitures	175,500	175,500	280,799	105,299	243,213
Interest Income	15,000	15,000	3,250,397	3,235,397	359,913
Miscellaneous	754,100	754,100	652,142	(101,958)	604,617
TOTAL REVENUES	22,354,234	22,354,234	35,949,928	13,595,694	33,733,935
EXPENDITURES					
General Government	5,279,879	5,068,879	2,747,956	2,320,923	2,534,277
Public Safety	4,949,110	4,949,110	4,283,764	665,346	4,115,595
Public Works	736,350	736,350	2,730,432	(1,994,082)	2,349,027
Culture and Recreation	500,000	711,000	698,114	12,886	525,000
Capital Outlay	912,500	1,387,500	1,602,056	(214,556)	1,977,207
TOTAL EXPENDITURES	12,377,839	12,852,839	12,062,322	790,517	11,501,106
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,976,395	9,501,395	23,887,606	14,386,211	22,232,829
OTHER FINANCING SOURCES (USES)					
Transfers In	-	211,000	104,156	(106,844)	613,266
Transfers Out	(51,945,508)	(52,156,508)	(51,242,924)	913,584	(3,072,095)
TOTAL OTHER FINANCING SOURCES (USES)	(51,945,508)	(51,945,508)	(51,138,768)	806,740	(2,458,829)
NET CHANGE IN FUND BALANCE	(41,969,113)	(42,444,113)	(27,251,162)	15,192,951	19,774,000
FUND BALANCES, Beginning	83,537,563	83,537,563	89,727,911	6,190,348	69,953,911
FUND BALANCE, Ending	\$ 41,568,450	\$ 41,093,450	\$ 62,476,749	\$ 21,383,299	\$ 89,727,911

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

STREET AND ALLEY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes and Fees	\$ 6,405,405	\$ 8,711,787	\$ 2,306,382	\$ 9,438,854
Intergovernmental	-	1,579,128	1,579,128	777,009
Charges for Services	-	1,018,947	1,018,947	955,348
Interest Income	-	439,499	439,499	111,264
Miscellaneous	1,185,200	5,675	(1,179,525)	1,235
TOTAL REVENUES	7,590,605	11,755,036	4,164,431	11,283,710
EXPENDITURES				
Public Works	3,698,790	1,239,031	2,459,759	5,106,102
Capital Outlay	7,848,000	9,145,480	(1,297,480)	3,445,786
TOTAL EXPENDITURES	11,546,790	10,384,511	1,162,279	8,551,888
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,956,185)	1,370,525	5,326,710	2,731,822
OTHER FINANCING USES				
Transfers In	1,450,000	1,450,000	-	-
NET CHANGE IN FUND BALANCES	(2,506,185)	2,820,525	5,326,710	2,731,822
FUND BALANCES, Beginning	15,712,155	17,863,627	2,151,472	15,131,805
FUND BALANCES, Ending	\$ 13,205,970	\$ 20,684,152	\$ 7,478,182	\$ 17,863,627

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CAPITAL IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023			VARIANCE	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 300,000	\$ 300,000	\$ 1,845,970	\$ 1,545,970	\$ 1,334,609
Interest Income	2,200	2,200	945,189	942,989	125,291
TOTAL REVENUES	<u>302,200</u>	<u>302,200</u>	<u>2,791,159</u>	<u>2,488,959</u>	<u>1,459,900</u>
EXPENDITURES					
Public Works	11,500	11,500	8,861	2,639	7,800
Capital Outlay	<u>2,500,000</u>	<u>2,531,000</u>	<u>2,538,533</u>	<u>(7,533)</u>	<u>5,107,537</u>
TOTAL EXPENDITURES	<u>2,511,500</u>	<u>2,542,500</u>	<u>2,547,394</u>	<u>(4,894)</u>	<u>5,115,337</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,209,300)</u>	<u>(2,240,300)</u>	<u>243,765</u>	<u>2,484,065</u>	<u>(3,655,437)</u>
OTHER FINANCING USES					
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(25,958)</u>	<u>24,042</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,259,300)	(2,290,300)	217,807	2,508,107	(3,655,437)
FUND BALANCES, Beginning	<u>7,653,223</u>	<u>7,653,223</u>	<u>10,868,806</u>	<u>3,215,583</u>	<u>14,524,243</u>
FUND BALANCES, Ending	<u>\$ 5,393,923</u>	<u>\$ 5,362,923</u>	<u>\$ 11,086,613</u>	<u>\$ 5,723,690</u>	<u>\$ 10,868,806</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,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	0.115%	0.124%
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)	\$ (624,381)	\$ 109,678
Town's covered payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103	\$ 1,439,700	\$ 1,756,468	\$ 1,756,485	\$ 2,327,325
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%	-35.5%	4.7%
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%	116.2%	97.6%

Notes:

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

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Statutorily required contributions	\$ 34,216	\$ 36,443	\$ 39,919	\$ 41,450	\$ 51,016	\$ 57,587	\$ 70,259	\$ 78,837	\$ 93,093	\$ 98,571
Contributions in relation to the Statutorily required contributions	<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>	<u>93,093</u>	<u>98,571</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103	\$ 1,439,700	\$ 1,756,485	\$ 1,873,246	\$ 2,327,325	\$ 2,464,275
Contributions as a percentage of covered payroll	3.94%	4.00%	4.00%	3.98%	3.99%	4.00%	4.00%	4.21%	4.00%	4.00%

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2023

	SPECIAL REVENUE			TOTAL
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	
ASSETS				
Cash and Investments	\$ 10,557,810	\$ 186,210	\$ 8,271,257	\$ 19,015,277
Restricted Cash and Investments	-	-	264,069	264,069
Accounts Receivable	140,910	-	85,382	226,292
Prepaid Expenses	-	-	987	987
TOTAL ASSETS	\$ 10,698,720	\$ 186,210	\$ 8,621,695	\$ 19,506,625
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 90,341	\$ 90,341
Accrued Liabilities	88,299	-	11,968	100,267
TOTAL LIABILITIES	88,299	-	102,309	190,608
FUND EQUITY				
Fund Balance				
Nonspendable	-	-	987	987
Restricted for Culture and Recreation	10,610,421	-	-	10,610,421
Restricted for Parks & Recreation	-	-	8,518,399	8,518,399
Restricted for Cemetery Maintenance	-	186,210	-	186,210
TOTAL FUND EQUITY	10,610,421	186,210	8,519,386	19,316,017
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,698,720	\$ 186,210	\$ 8,621,695	\$ 19,506,625

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, 2023

	SPECIAL REVENUE			TOTAL
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	
REVENUES				
Taxes and Fees	\$ 811,820	\$ -	\$ 1,077,402	\$ 1,889,222
Charges for Services	-	-	66,967	66,967
Intergovernmental	831,446	-	603,071	1,434,517
Interest Income	368,720	6,250	247,633	622,603
Miscellaneous	10,501	11,272	56,169	77,942
TOTAL REVENUES	2,022,487	17,522	2,051,242	4,091,251
EXPENDITURES				
General Government	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	989,407	-	798,677	1,788,084
Capital Outlay	127,324	-	857,870	985,194
TOTAL EXPENDITURES	1,116,731	-	1,656,547	2,773,278
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	905,756	17,522	394,695	1,317,973
OTHER FINANCING SOURCES (USES)				
Transfers In	1,242,924	-	-	1,242,924
Transfers Out	(78,198)	-	-	(78,198)
TOTAL OTHER FINANCING SOURCES (USES)	1,164,726	-	-	1,164,726
NET CHANGE IN FUND BALANCE	2,070,482	17,522	394,695	2,482,699
FUND BALANCE, Beginning	8,539,939	168,688	8,124,691	16,833,318
FUND BALANCE, Ending	\$ 10,610,421	\$ 186,210	\$ 8,519,386	\$ 19,316,017

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

LIBRARY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Library Facilities Fee	\$ 439,410	\$ 811,820	\$ 372,410	\$ 793,779
Contributions	3,500	-	(3,500)	-
Intergovernmental	819,186	831,446	12,260	486,738
Interest Income	75,000	368,720	293,720	116,540
Miscellaneous	7,500	10,501	3,001	2,368
TOTAL REVENUES	<u>1,344,596</u>	<u>2,022,487</u>	<u>677,891</u>	<u>1,399,425</u>
EXPENDITURES				
Culture and Recreation	1,821,000	989,407	831,593	822,037
Capital Outlay	-	127,324	(127,324)	-
TOTAL EXPENDITURES	<u>1,821,000</u>	<u>1,116,731</u>	<u>704,269</u>	<u>822,037</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(476,404)</u>	<u>905,756</u>	<u>1,382,160</u>	<u>577,388</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,243,246	1,242,924	(322)	1,296,829
Transfers Out	-	(78,198)	(78,198)	-
TOTAL OTHER FINANCING SOURCES	<u>1,243,246</u>	<u>1,164,726</u>	<u>(78,520)</u>	<u>1,296,829</u>
NET CHANGE IN FUND BALANCE	766,842	2,070,482	1,303,640	1,874,217
FUND BALANCE, Beginning	<u>8,155,642</u>	<u>8,539,939</u>	<u>384,297</u>	<u>6,665,722</u>
FUND BALANCE, Ending	<u>\$ 8,922,484</u>	<u>\$ 10,610,421</u>	<u>\$ 1,687,937</u>	<u>\$ 8,539,939</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CEMETERY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sale of Lots	\$ 12,560	\$ 11,272	\$ (1,288)	\$ 12,898
Interest Income	60	6,250	6,190	1,974
TOTAL REVENUES	<u>12,620</u>	<u>17,522</u>	<u>4,902</u>	<u>14,872</u>
EXPENDITURES				
Operations and Maintenance	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>12,620</u>	<u>17,522</u>	<u>4,902</u>	<u>14,872</u>
FUND BALANCES, Beginning	<u>167,056</u>	<u>168,688</u>	<u>1,632</u>	<u>153,816</u>
FUND BALANCES, Ending	<u><u>\$ 179,676</u></u>	<u><u>\$ 186,210</u></u>	<u><u>\$ 6,534</u></u>	<u><u>\$ 168,688</u></u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

PARKS AND OPEN SPACE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes and Fees	\$ 786,530	\$ 1,077,402	\$ 290,872	\$ 1,058,775
Charges for Services	-	66,967	66,967	76,572
Contributions	-	-	-	-
Intergovernmental	-	603,071	603,071	608,143
Interest Income	2,000	247,633	245,633	39,413
Miscellaneous	17,000	56,169	39,169	1,356
TOTAL REVENUES	805,530	2,051,242	1,245,712	1,784,259
EXPENDITURES				
Culture and Recreation	1,024,940	798,677	226,263	589,589
Capital Outlay	2,905,000	857,870	2,047,130	1,609,950
TOTAL EXPENDITURES	3,929,940	1,656,547	2,273,393	2,199,539
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,124,410)	394,695	3,519,105	(415,280)
OTHER FINANCING SOURCES (USES)				
Transfers In	50,000	-	(50,000)	1,162,000
TOTAL OTHER FINANCING SOURCES	50,000	-	(50,000)	1,162,000
NET CHANGE IN FUND BALANCE	(3,074,410)	394,695	3,469,105	746,720
FUND BALANCE, Beginning	5,224,587	8,124,691	2,900,104	7,377,971
FUND BALANCE, Ending	\$ 2,150,177	\$ 8,519,386	\$ 6,369,209	\$ 8,124,691

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 22,162,050	\$ 6,630,623	\$ (15,531,427)	\$ 5,857,782
Contributions	56,000,000	31,365,023	(24,634,977)	35,457,230
Interest Income	20,000	1,172,401	1,152,401	216,577
Miscellaneous	125,000	781,272	656,272	254,371
TOTAL REVENUES	<u>78,307,050</u>	<u>39,949,319</u>	<u>(38,357,731)</u>	<u>41,785,960</u>
EXPENDITURES				
Administration	235,300	243,555	(8,255)	232,318
Operations	4,365,350	3,748,759	616,591	3,567,015
Capital Outlay	37,017,280	29,567,269	7,450,011	41,619,139
Depreciation Expense	970,000	552,358	417,642	518,024
Transfers Out	600,000	600,000	-	-
TOTAL EXPENDITURES	<u>43,187,930</u>	<u>34,711,941</u>	<u>8,475,989</u>	<u>45,936,496</u>
NET INCOME, Budget Basis	<u>\$ 35,119,120</u>	<u>5,237,378</u>	<u>\$ (29,881,742)</u>	<u>(4,150,536)</u>
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>29,567,269</u>		<u>41,619,139</u>
NET INCOME, GAAP Basis		<u>34,804,647</u>		<u>37,468,603</u>
NET POSITION, Beginning, as Previously Reported		<u>139,616,612</u>		<u>80,946,634</u>
Prior Period Adjustment		<u>-</u>		<u>21,201,375</u>
NET POSITION, Beginning, as restated		<u>139,616,612</u>		<u>102,148,009</u>
NET POSITION, Ending		<u>\$ 174,421,259</u>		<u>\$ 139,616,612</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 3,181,500	\$ 3,385,665	\$ 204,165	\$ 3,015,211
Contributions	1,113,560	2,755,144	1,641,584	4,093,372
Intergovernmental	2,105,000	2,564,500	459,500	4,387,299
Interest Income	100,000	3,412,107	3,312,107	966,211
Miscellaneous	18,900	47,697	28,797	315,467
Transfers In	50,000,000	49,400,000	(600,000)	-
TOTAL REVENUES	<u>56,518,960</u>	<u>61,565,113</u>	<u>5,046,153</u>	<u>12,777,560</u>
EXPENDITURES				
Administration	227,750	226,678	1,072	211,255
Operations	2,087,960	1,785,217	302,743	1,223,031
Capital Outlay	78,381,000	32,769,676	45,611,324	28,830,491
Depreciation Expense	1,200,000	629,721	570,279	235,093
Debt Service	2,764,000	1,953,150	810,850	1,953,150
Transfers Out	600,000	-	600,000	-
TOTAL EXPENDITURES	<u>85,260,710</u>	<u>37,364,442</u>	<u>47,896,268</u>	<u>32,453,020</u>
NET INCOME, Budget Basis	<u>\$ (28,741,750)</u>	24,200,671	<u>\$ 52,942,421</u>	(19,675,460)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>32,769,676</u>		<u>28,830,491</u>
TOTAL GAAP BASIS ADJUSTMENTS		<u>32,769,676</u>		<u>28,830,491</u>
NET INCOME, GAAP Basis		56,970,347		9,155,031
NET POSITION, Beginning		<u>27,145,833</u>		<u>17,990,802</u>
NET POSITION, Ending		<u>\$ 84,116,180</u>		<u>\$ 27,145,833</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Drainage Fees	\$ 720,000	\$ 688,568	\$ (31,432)	\$ 1,312,706
Interest Income	1,000	166,440	165,440	27,805
TOTAL REVENUES	<u>721,000</u>	<u>855,008</u>	<u>134,008</u>	<u>1,340,511</u>
EXPENDITURES				
Administration	150,400	134,106	16,294	137,706
Operations	268,025	198,675	69,350	176,027
Capital Outlay	-	39,307	(39,307)	230,927
Depreciation Expense	225,000	41,676	183,324	9,557
Transfers Out	250,000	250,000	-	-
TOTAL EXPENDITURES	<u>893,425</u>	<u>663,764</u>	<u>229,661</u>	<u>554,217</u>
NET INCOME, Budget Basis	<u>\$ (172,425)</u>	191,244	<u>\$ 363,669</u>	786,294
GAAP BASIS ADJUSTMENTS				
Capital Outlay		<u>39,307</u>		<u>230,927</u>
NET INCOME, GAAP Basis		230,551		1,017,221
NET POSITION, Beginning		<u>5,501,676</u>		<u>4,484,455</u>
NET POSITION, Ending		<u>\$ 5,732,227</u>		<u>\$ 5,501,676</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

This Information From The Records Of: Johnstown	Prepared By: Devon McCarty
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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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 6,104,294.53
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 3,217,598.02
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	\$ 61,636.11
3. Other local imposts (from page 2)	\$ 8,549,743.50	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 61,636.11
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 6,672.19
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 9,390,200.85
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 8,549,743.50	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 1,494,156.05	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 10,043,899.55	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 9,390,200.85

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 8,787,795.71	\$ 10,043,899.55	\$ 9,390,200.85	\$ 9,441,494.41	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/23

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 Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 2,312,973.62	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 2,704,861.85	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 3,531,908.03	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 8,549,743.50	h. Other	
c. Total (a. + b.)	\$ 8,549,743.50	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 569,360.89	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	\$ 62,492.53	d. Federal Transit Administration	
d. DOLA Grant	\$ 862,302.63	e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 924,795.16	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 1,494,156.05	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation		\$ 6,104,294.53	\$ 6,104,294.53
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 6,104,294.53	\$ 6,104,294.53
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 6,104,294.53	\$ 6,104,294.53
<i>(Carry forward to page 1)</i>			

Notes and Comments: