

TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2017

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Office of the State Auditor

September 30, 2018

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown, Colorado, as of and for the year ended December 31, 2017, which collectively comprise the basic financial statements of the Town, as listed in the table of contents. These financial statements are the responsibility of the Town of Johnstown, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

John Luthr & Associates, LLC

September 28, 2018

As management of the Town of Johnstown (“Town”), we offer readers of the Town’s financial statements this narrative overview and analysis of the financial activities for the calendar year ending December 31, 2017. We encourage readers to consider this information in conjunction with the additional information presented in our basic financial statements to better understand the financial position of the Town of Johnstown.

On November 7, 2000, the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2017 was set at 23.947 mills.

A. FINANCIAL HIGHLIGHTS

- Assets and deferred outflow of resources for the Town exceeded liabilities and deferred inflow of resources by \$146 million, an increase of \$17 million, or 14 percent.
- As of December 31, 2017, net position for governmental activities was \$96.2 million. Business type activities reported a net position of \$50.4 million, up \$4.2 million or 10 percent from December 31, 2016.
- The Town had \$7,803,975 in expenses related to governmental activities, which were offset by general revenues consisting of property taxes, use taxes, sales taxes and charges for services in the amount of \$19,235,871.
- Sales, use and property tax revenues totaled \$10,637,315. Property tax revenue and sales tax revenue increased by 8.5% from 2016. Use Tax revenue decreased by \$525,000, this decrease was attributable to a minimal number of commercial building permits being issued in 2017. Residential permits remained approximately the same.
- Income from water, wastewater and storm water charges for service totaled \$5,333,331. The cost of providing these services was \$3,131,314.
- The Town’s unassigned fund balance of the General Fund was \$16,914,383, while committed fund balance totaled \$26,719,340 of which \$1,717,977 was for contingencies and \$3,001,363 for equipment replacement. The Town Council has committed \$20,000,000 toward the construction of a Community/Recreation Center and an additional \$2,000,000 for I-25 Interchange Improvements. The unassigned portion of the fund balance is available to meet the Town’s reserve requirements and future spending at the Town’s discretion.
- Major capital assets include street improvements, water distribution and plant improvements, acquisition of public works equipment, police vehicles and equipment.

B. 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 financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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. These statements provide both short-term and long-term information about the Town's overall financial status.

The *Statement of Net Position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Throughout time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent budget year. 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The governmental activities include the following: general government (administration, legislative, court and planning and zoning), public safety (police and building inspections), public works, health and welfare (cemetery and code enforcement) culture and recreation (senior activities, parks and cemetery). The business-type activities include water, wastewater and drainage.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or major funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town funds are divided into two categories: governmental funds and proprietary funds.

Governmental funds – Most of the Town’s basic services are included in governmental funds, which generally focus on: (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine financial resources that may be available in the near term to finance Town programs. Because this information does not encompass the long-term focus of the Town’s statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

Proprietary funds - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, wastewater and drainage operations which are considered to be major funds.

Notes to financial statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the supplemental data required for non-major fund information and budgetary comparison schedules.

Capital Assets

Beginning with the 2003 financial statements, the Town must comply with capital assets reporting requirements as specified in *Governmental Accounting Standards Board Statement 34 (GASB34)*. One of the requirements is to report capital assets in the government-wide financial statements. The Town has complied with these requirements. Accordingly, the government-wide financial statements include information about capital assets and infrastructure and their related expenses. The Town of Johnstown’s net investment in Capital Assets totals \$29,568,648 (e.g. land, buildings and water shares, etc.) The Town uses these assets to provide services to citizens; consequently these assets are not available for future spending.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position for the year ending December 31, 2017 increased \$17,305,163 or approximately fourteen percent (14%) from the prior fiscal year. The Statement of Net Position table below provides a summary of the Town's net position at December 31, 2017 with comparisons to 2016.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current & other assets	\$90,668,263	\$78,252,402	\$ 33,934,621	\$29,592,274	\$124,602,884	\$107,844,676
Capital assets	12,877,809	11,422,841	16,690,839	16,818,080	29,568,648	28,240,921
Total Assets	103,546,072	89,675,243	50,625,460	46,410,354	154,171,532	136,085,597
Deferred Outflows of Resources	192,067	160,795	0	0	192,067	160,795
Current Liabilities	1,754,572	2,439,285	220,683	252,513	1,958,212	2,676,147
Noncurrent Liabilities	64,136	30,754	0	0	64,136	46,405
Total Liabilities	1,818,708	2,470,039	220,683	252,513	2,039,391	2,722,552
Deferred Inflows of Resources:	5,695,870	4,200,665	0	0	5,695,870	4,200,665
Net Position:						
Net Investment in Capital Assets	12,877,809	11,422,841	16,690,839	16,818,080	29,568,648	28,240,921
net of related debt	0	0	0	0	0	0
Restricted	580,000	530,000	0	-	580,000	530,000
Unrestricted	82,765,752	71,212,493	33,713,938	29,339,761	116,479,690	100,552,254
Total Net Position	\$96,223,561	\$83,165,334	\$50,404,777	\$46,157,841	\$146,628,338	\$ 129,323,175

It should be noted the unrestricted portion of net position may be used to meet the Town's ongoing obligations to residents and creditors.

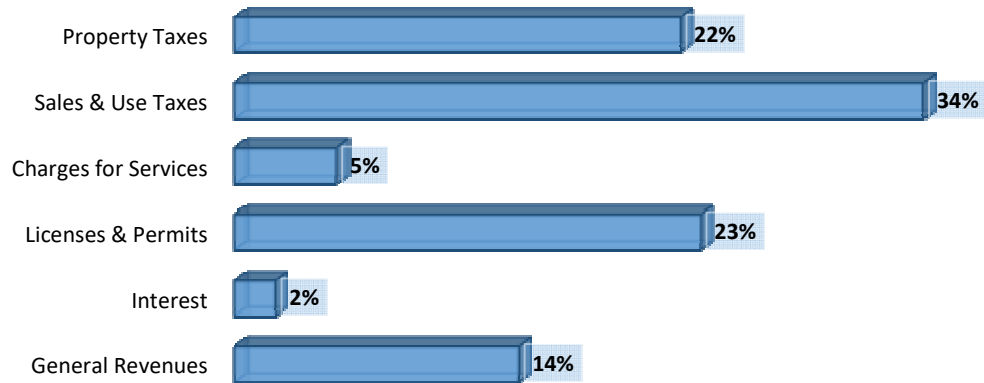
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 5,546,201	\$ 3,961,992	\$5,333,331	\$ 5,036,697	\$10,879,532	\$8,998,689
Operating grants	614,750	360,735	0	0	614,750	360,735
Capital contributions	636,380	610,282	1,769,163	1,809,198	2,405,543	2,419,480
General revenues:						
Property taxes	4,533,214	4,785,508	0	0	4,533,214	4,785,508
Sales and use taxes	6,677,747	6,648,966	0	0	6,677,747	6,648,966
Licenses & Permits	-	-	-	-	-	-
Interest Income	485,024	247,461	182,686	141,752	667,710	389,213
Miscellaneous	742,555	919,907	-	-	742,555	919,907
Total revenues	19,235,871	17,534,851	7,285,180	6,987,647	26,521,051	24,522,498
Expenses:						
General Government	1,237,413	746,814	-	-	1,237,413	746,814
Public Safety	2,075,219	1,798,705	-	-	2,075,219	1,798,705
Public Works	2,178,417	2,234,710	-	-	2,178,417	2,234,710
Health and Welfare	67,227	116,436	-	-	67,227	116,436
Culture and Recreation	794,130	911,551	-	-	794,130	911,551
Capital Outlay	-	-	-	-	-	-
Drainage Fund	-	-	175,515	130,143	175,515	130,143
Water	-	-	1,560,999	1,546,638	1,560,999	1,546,638
Wastewater	-	-	1,394,800	1,321,142	1,394,800	1,321,142
Total expenses	6,352,406	5,808,216	3,131,314	2,997,923	9,483,720	8,806,139
Transfers In (Out)	(93,070)	(95,986)	93,070	95,986	0	0
Change in Net Position	12,790,395	11,630,649	4,246,936	4,085,710	17,037,331	15,716,359
Prior Period Adjustment	267,832	-			267,832	
Net Position – Beginning	83,165,334	71,534,685	46,157,841	42,072,131	129,323,175	113,606,816
Net Position – Ending	\$96,223,561	\$83,165,334	\$50,404,777	\$46,157,841	\$146,628,338	\$129,323,175

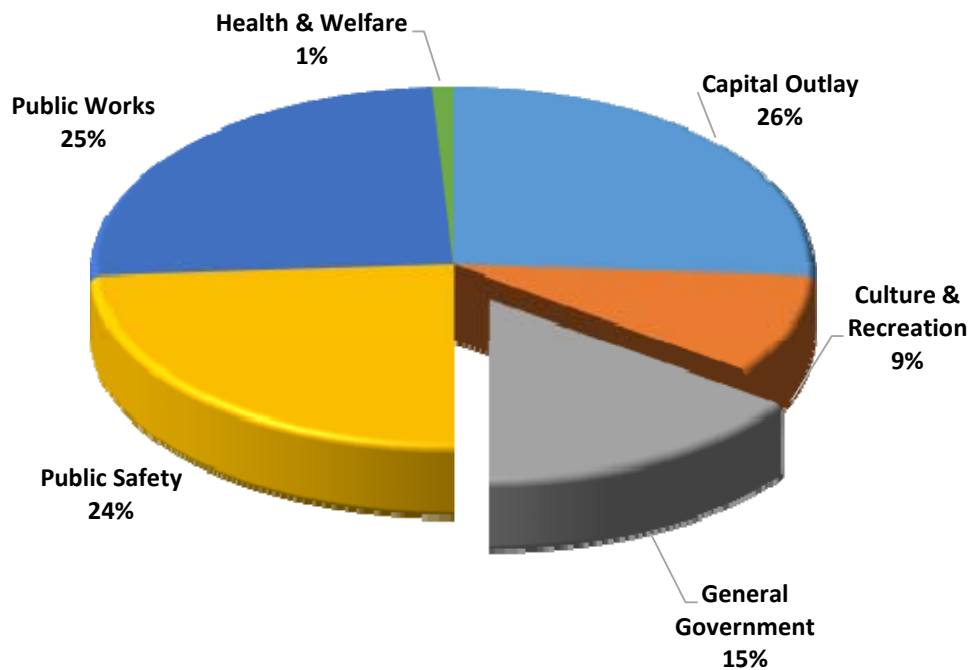
The Town's overall net position increased by \$17,305,163 from the prior budget year. The reasons for this increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current year, the net position for governmental activities increased \$13,058,227 from 2016, for an ending balance of \$96,223,561. The operations of the Town are funded primarily by local property tax revenues and sales tax. Other funding sources are use tax, franchise tax and building permits. The following revenues, charges for services, sales and use tax, licenses and permits, miscellaneous revenue and interest income increased by \$1,701,020 from the prior year. Governmental expenses increased by a total of \$544,190 from 2016. Additionally, Charts 1 and 2 below provide further illustration regarding the Town's composition of governmental revenues and expenses for 2017.

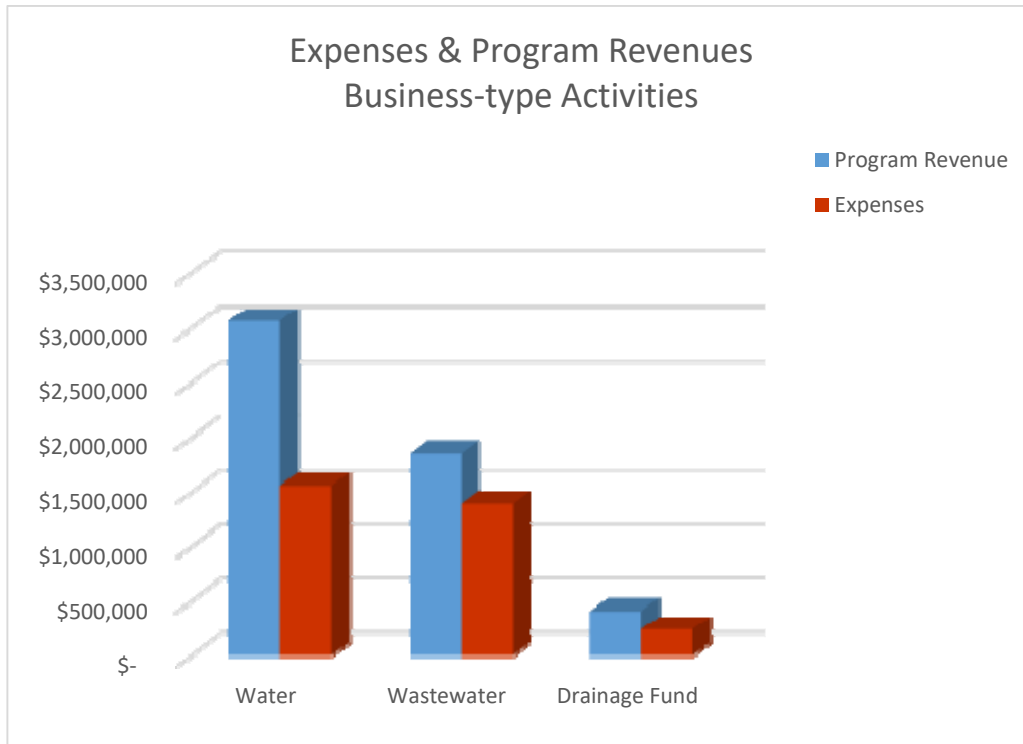
2017 GOVERNMENTAL ACTIVITIES PERCENTAGE OF REVENUES BY TYPE



2017 GOVERNMENTAL ACTIVITIES PERCENTAGE OF EXPENSES BY TYPE



The following illustrates the business-type activities program revenues and expenses:



Proprietary – type funds. The Town’s proprietary funds, Water Fund, Wastewater Fund and Drainage Fund reported \$50,404,777 in net position at the end of 2017, up \$4,246,936 from the prior year’s ending balance of \$46,157,841. Revenues generated by these funds are devoted principally to the funding of operations, maintenance and capital improvements of the activity.

D. FINANCIAL ANALYSIS OF TOWN FUNDS

General Fund –

The purpose of the general fund is to account for the routine operational activities of the Town. This fund provides for functional areas of the organization as follows: general government, public safety, public works, etc. The primary funding sources for the general fund are sales and property taxes, fines, and charges for services.

General Fund Budgetary Highlights -

The Town’s budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. The Town’s final budget for the general fund anticipated revenues would exceed expenditures by \$507,700.

The actual results for the year show revenues exceeding expenditures by \$5,174,300. Because of the growth of the Town's retail base, sales tax revenues have shown significant growth throughout the year and was much stronger than anticipated. The excess revenue increases the fund balance and may be used in future years by the Town.

The Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. The actual approval of appropriations by the Town council is at the fund level, and the divisional functions used in the budget are for presentation and management control purposes. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works
- Health and Welfare
- Culture and Recreation

The Town must maintain a three percent (3%) emergency reserve as part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2017 the Town's TABOR reserve totaled \$580,000.

E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2017, totaled \$29,568,648.

Major capital expenditures during 2017 included:

Police vehicles/equipment	\$ 279,200
Public works equipment	254,600
Water distribution & plant improvements	273,500
Transportation/street improvements	1,728,300

F. THE FUTURE OF THE TOWN

The Town of Johnstown's financial position remains relatively stable. Revenues continue to exceed expenditures. Sales tax revenues will continue to increase with the growth of new retail and commercial development. Also, voters approved a three percent (3%) Lodging Tax in 2015, which will be used in the General Fund for various municipal purposes to include police protection services, community and economic development services, community events and beautification projects. The Town receives capital revenue from impact fees and use tax during the year which is used to construct capital assets to serve the Town's residents. The Town Council has committed to construct a 65,000 square foot Community/Recreation facility beginning in 2018 with an estimated completion date in early 2020.

The Town's business-type activities are expected to have revenues that remain somewhat steady compared to 2017 actuals. A water rate study was done in 2015 recommending a 3% increase in the usage rates until 2020.

G. CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Town's officials, citizens, taxpayers and those with an interest in the Town's finances 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 the Treasurer at the Town of Johnstown, 450 S. Parish, PO Box 609, Johnstown, Colorado 80534.

BASIC FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2017

	GOVERNMENTAL	BUSINESS TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES	2017	2016
ASSETS				
Cash and Investments	\$ 82,122,120	\$ 33,507,326	\$ 115,629,446	\$ 100,611,287
Restricted Cash and Investments	1,784,647	-	1,784,647	2,127,067
Receivables				
Property Taxes	5,693,002	-	5,693,002	4,197,467
Sales and Other	1,089,627	2,497	1,092,124	558,369
Accounts	-	403,665	403,665	348,867
Interfund Amounts	(21,133)	21,133	-	-
Net Pension Asset	-	-	-	1,619
Capital Assets, Not Depreciated	99,633	3,024,654	3,124,287	3,367,249
Capital Assets, Depreciated				
Net of Accumulated Depreciation	12,778,176	13,666,185	26,444,361	24,873,672
TOTAL ASSETS	103,546,072	50,625,460	154,171,532	136,085,597
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	192,067	-	192,067	160,795
LIABILITIES				
Accounts Payable	129,085	146,902	275,987	559,763
Accrued Salaries and Benefits	83,466	24,931	108,397	98,549
Developer Escrow	1,542,021	-	1,542,021	1,974,841
Deposits	-	31,807	31,807	42,994
Noncurrent Liabilities				
Accrued Compensated Absences	28,905	17,043	45,948	46,405
Net Pension Liability	35,231	-	35,231	-
TOTAL LIABILITIES	1,818,708	220,683	2,039,391	2,722,552
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	2,868	-	2,868	3,198
Deferred Property Tax Revenue	5,693,002	-	5,693,002	4,197,467
TOTAL DEFERRED INFLOWS OF RESOURCES	5,695,870	-	5,695,870	4,200,665
NET POSITION				
Net Investment in Capital Assets	12,877,809	16,690,839	29,568,648	28,240,921
Restricted for Emergencies	580,000	-	580,000	530,000
Unrestricted	82,765,752	33,713,938	116,479,690	100,552,254
TOTAL NET POSITION	\$ 96,223,561	\$ 50,404,777	\$ 146,628,338	\$ 129,323,175

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

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,237,413	\$ 1,560,078	\$ -	\$ -
Public Safety	2,075,219	193,169	-	-
Public Works	2,178,417	3,722,949	-	562,700
Health and Welfare	67,227	-	-	-
Culture and Recreation	794,130	70,005	614,750	73,680
Total Governmental Activities	6,352,406	5,546,201	614,750	636,380
Business-Type Activities				
Water	1,560,999	3,065,335	-	1,577,923
Wastewater	1,394,800	1,856,747	-	191,240
Drainage	175,515	411,249	-	-
Total Business-Type Activities	3,131,314	5,333,331	-	1,769,163
Total Primary Government	\$ 9,483,720	\$ 10,879,532	\$ 614,750	\$ 2,405,543

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	
		2017	2016
\$ 322,665	\$ -	\$ 322,665	\$ 911,962
(1,882,050)	-	(1,882,050)	(1,626,138)
2,107,232	-	2,107,232	366,527
(67,227)	-	(67,227)	383,993
(35,695)	-	(35,695)	(911,551)
444,925	-	444,925	(875,207)
-	3,082,259	3,082,259	2,847,260
-	653,187	653,187	739,864
-	235,734	235,734	260,848
-	3,971,180	3,971,180	3,847,972
444,925	3,971,180	4,416,105	2,972,765
6,677,747	-	6,677,747	6,648,966
4,533,214	-	4,533,214	4,785,508
422,998	-	422,998	400,561
166,604	-	166,604	364,114
485,024	182,686	667,710	389,213
152,953	-	152,953	155,232
(93,070)	93,070	-	-
12,345,470	275,756	12,621,226	12,743,594
12,790,395	4,246,936	17,037,331	15,716,359
267,832	-	267,832	-
83,165,334	46,157,841	129,323,175	113,606,816
\$ 96,223,561	\$ 50,404,777	\$ 146,628,338	\$ 129,323,175

TOWN OF JOHNSTOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

	General Fund	Impact Fee Fund	Use Tax Capital Improvement Fund	Other Governmental Funds
ASSETS				
Cash and Investments	\$ 42,629,019	\$ 15,568,716	\$ 18,843,515	\$ 5,080,870
Restricted Cash and Investments	1,784,647	-	-	-
Taxes Receivable	5,693,002	-	-	-
Accounts Receivable	988,930	-	62,093	38,604
Due from Other Funds	-	-	3,789	3,743
TOTAL ASSETS	<u>\$ 51,095,598</u>	<u>\$ 15,568,716</u>	<u>\$ 18,909,397</u>	<u>\$ 5,123,217</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 128,823	\$ 262	\$ -	\$ -
Accrued Liabilities	73,153	-	-	10,313
Developer Escrows and Deposits	1,542,021	-	-	-
Due to Other Funds	24,876	-	-	3,789
TOTAL LIABILITIES	<u>1,768,873</u>	<u>262</u>	<u>-</u>	<u>14,102</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	<u>5,693,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Fund Balance				
Restricted for Emergencies	580,000	-	-	-
Restricted for Culture and Recreation	-	-	-	2,209,332
Restricted for Parks & Recreation	-	-	-	2,534,385
Restricted for Capital Improvements	-	15,568,454	13,909,397	12,800
Restricted for Cemetery Maintenance	-	-	-	114,115
Committed to I-25 Interchange Improvements	2,000,000	-	-	-
Committed to Capital Improvements	-	-	-	238,483
Committed for Contingencies	1,717,977	-	-	-
Committed for Equipment Replacement	3,001,363	-	-	-
Committed for Recreation Center	20,000,000	-	5,000,000	-
Unassigned	<u>16,334,383</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND EQUITY	<u>43,633,723</u>	<u>15,568,454</u>	<u>18,909,397</u>	<u>5,109,115</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	<u>\$ 51,095,598</u>	<u>\$ 15,568,716</u>	<u>\$ 18,909,397</u>	<u>\$ 5,123,217</u>

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

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

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Accrued Compensated Absences (\$28,905), Net Pension Liability (\$35,231), Deferred Outflows Related to Pensions \$192,067, and Deferred Inflows Related to Pensions of (\$2,868).

Net position of governmental activities

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

Total Governmental Funds	
2017	2016
\$ 82,122,120	\$ 71,391,510
1,784,647	2,127,067
5,693,002	4,197,467
1,089,627	555,872
7,532	7,532
<u>\$ 90,696,928</u>	<u>\$ 78,279,448</u>

\$ 129,085	\$ 391,765
83,466	72,679
1,542,021	1,974,841
28,665	28,665
<u>1,783,237</u>	<u>2,467,950</u>

<u>5,693,002</u>	<u>4,197,467</u>
------------------	------------------

580,000	530,000
2,209,332	1,892,151
2,534,385	2,313,966
29,490,651	25,219,322
114,115	109,306
2,000,000	-
238,483	-
1,717,977	1,391,331
3,001,363	2,159,999
25,000,000	25,000,000
<u>16,334,383</u>	<u>12,997,956</u>
<u>83,220,689</u>	<u>71,614,031</u>

12,877,809	11,422,841
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<u>125,063</u>	<u>128,462</u>
<u>\$ 96,223,561</u>	<u>\$ 83,165,334</u>

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	General Fund	Impact Fee Fund	Use Tax Capital Improvement Fund	Other Governmental Funds
REVENUES				
Taxes and Fees	\$ 8,686,010	\$ -	\$ 2,892,774	\$ 221,779
Licenses and Permits	821,249	3,406,535	-	70,005
Intergovernmental	832,657	-	-	418,473
Charges for Services	738,829	-	-	316,414
Fines and Forfeitures	193,169	-	-	-
Interest Income	217,488	98,976	144,668	23,892
Miscellaneous	135,026	-	-	17,927
TOTAL REVENUES	<u>11,624,428</u>	<u>3,505,511</u>	<u>3,037,442</u>	<u>1,068,490</u>
EXPENDITURES				
General Government	1,128,248	-	-	-
Public Safety	1,831,102	70,723	-	-
Public Works	1,312,620	6,305	561,002	78,062
Health and Welfare	67,227	-	-	-
Culture and Recreation	233,694	-	-	482,254
Capital Outlay	205,319	682,711	1,019,181	125,527
TOTAL EXPENDITURES	<u>4,778,210</u>	<u>759,739</u>	<u>1,580,183</u>	<u>685,843</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,846,218</u>	<u>2,745,772</u>	<u>1,457,259</u>	<u>382,647</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	36,370	21,933	408,492
Transfers Out	<u>(559,613)</u>	<u>-</u>	<u>-</u>	<u>(252)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(559,613)</u>	<u>36,370</u>	<u>21,933</u>	<u>408,240</u>
NET CHANGE IN FUND BALANCES	6,286,605	2,782,142	1,479,192	790,887
FUND BALANCES, Beginning	37,079,286	12,786,312	17,430,205	4,318,228
Prior Period Adjustment	<u>267,832</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 43,633,723</u>	<u>\$ 15,568,454</u>	<u>\$ 18,909,397</u>	<u>\$ 5,109,115</u>

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

Total Governmental Funds	
2017	2016
\$ 11,800,563	\$ 12,199,149
4,297,789	3,167,806
1,251,130	971,017
1,055,243	621,619
193,169	172,567
485,024	247,461
152,953	189,386
<u>19,235,871</u>	<u>17,569,005</u>
1,128,248	603,998
1,901,825	1,846,690
1,957,989	2,060,208
67,227	116,436
715,948	839,953
2,032,738	550,424
<u>7,803,975</u>	<u>6,017,709</u>
<u>11,431,896</u>	<u>11,551,296</u>
466,795	477,914
<u>(559,865)</u>	<u>(573,900)</u>
<u>(93,070)</u>	<u>(95,986)</u>
11,338,826	11,455,310
71,614,031	60,158,721
<u>267,832</u>	<u>-</u>
<u>\$ 83,220,689</u>	<u>\$ 71,614,031</u>

TOWN OF JOHNSTOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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

Net Changes in Fund Balances - Total Governmental Funds \$ 11,338,826

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 \$2,023,669, exceeded depreciation expense (\$568,701) for the period. 1,454,968

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. 1,849

Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized. (5,248)

Change in Net Position of Governmental Activities \$ 12,790,395

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, 2017

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2017	2016
ASSETS					
Current Assets					
Cash and Investments	\$ 20,671,483	\$ 10,308,566	\$ 2,527,277	\$ 33,507,326	\$ 29,219,777
Accounts Receivable, net	174,641	191,285	37,739	403,665	348,867
Inventory	2,497	-	-	2,497	2,497
Due from Other Funds	-	-	21,133	21,133	21,133
Total Current Assets	20,848,621	10,499,851	2,586,149	33,934,621	29,592,274
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	11,358,495	5,050,516	281,828	16,690,839	16,818,080
TOTAL ASSETS	32,207,116	15,550,367	2,867,977	50,625,460	46,410,354
LIABILITIES					
Current Liabilities					
Accounts Payable	96,391	49,666	845	146,902	167,998
Accrued Expenses	9,742	12,686	2,503	24,931	25,870
Accrued Compensated Absences	7,733	9,310	-	17,043	15,651
Total Current Liabilities	113,866	71,662	3,348	188,876	209,519
Noncurrent Liabilities					
Deposits	31,807	-	-	31,807	42,994
Total Noncurrent Liabilities	31,807	-	-	31,807	42,994
TOTAL LIABILITIES	145,673	71,662	3,348	220,683	252,513
NET POSITION					
Net Investment in Capital Assets	11,358,495	5,050,516	281,828	16,690,839	16,818,080
Unrestricted	20,702,948	10,428,189	2,582,801	33,713,938	29,339,761
TOTAL NET POSITION	\$ 32,061,443	\$ 15,478,705	\$ 2,864,629	\$ 50,404,777	\$ 46,157,841

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, 2017

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2017	2016
OPERATING REVENUES					
Charges for Services	\$ 2,710,234	\$ 1,831,209	\$ 411,249	\$ 4,952,692	\$ 4,693,704
Miscellaneous	355,101	25,538	-	380,639	342,993
TOTAL OPERATING REVENUES	3,065,335	1,856,747	411,249	5,333,331	5,036,697
OPERATING EXPENSES					
Administration	161,248	186,617	79,591	427,456	416,293
Operations	1,060,860	927,220	90,172	2,078,252	2,105,422
Depreciation	338,891	280,963	5,752	625,606	476,208
TOTAL OPERATING EXPENSES	1,560,999	1,394,800	175,515	3,131,314	2,997,923
OPERATING INCOME	1,504,336	461,947	235,734	2,202,017	2,038,774
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	101,372	51,725	29,589	182,686	141,752
TOTAL NON-OPERATING REVENUES (EXPENSES)	101,372	51,725	29,589	182,686	141,752
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,605,708	513,672	265,323	2,384,703	2,180,526
Capital Contributions	1,577,923	191,240	-	1,769,163	1,809,198
Transfers In	93,070	-	-	93,070	182,200
Transfers Out	-	-	-	-	(86,214)
NET INCOME	3,276,701	704,912	265,323	4,246,936	4,085,710
NET POSITION, Beginning	28,784,742	14,773,793	2,599,306	46,157,841	42,072,131
NET POSITION, Ending	\$ 32,061,443	\$ 15,478,705	\$ 2,864,629	\$ 50,404,777	\$ 46,157,841

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, 2017
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 2,930,389	\$ 1,924,724	\$ 423,420	\$ 5,278,533	\$ 5,121,547
Cash Paid to Suppliers	(1,183,256)	(1,171,288)	(171,807)	(2,526,351)	(2,493,230)
Net Cash Provided by Operating Activities	<u>1,747,133</u>	<u>753,436</u>	<u>251,613</u>	<u>2,752,182</u>	<u>2,628,317</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(183,247)	(27,538)	(287,580)	(498,365)	(259,869)
Capital Contributions	1,577,923	191,240	-	1,769,163	1,809,198
Deposits from Customers	(11,187)	-	-	(11,187)	(49,678)
Payments from Other Funds	93,070	-	-	93,070	182,200
Payments to Other Funds	-	-	-	-	(86,214)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,476,559</u>	<u>163,702</u>	<u>(287,580)</u>	<u>1,352,681</u>	<u>1,595,637</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	<u>101,372</u>	<u>51,725</u>	<u>29,589</u>	<u>182,686</u>	<u>141,752</u>
Net Cash Provided by Investing Activities	<u>101,372</u>	<u>51,725</u>	<u>29,589</u>	<u>182,686</u>	<u>141,752</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,325,064	968,863	(6,378)	4,287,549	4,365,706
CASH AND INVESTMENTS, Beginning	<u>17,346,419</u>	<u>9,339,703</u>	<u>2,533,655</u>	<u>29,219,777</u>	<u>24,854,071</u>
CASH AND INVESTMENTS, Ending	<u>\$ 20,671,483</u>	<u>\$ 10,308,566</u>	<u>\$ 2,527,277</u>	<u>\$ 33,507,326</u>	<u>\$ 29,219,777</u>
OPERATING ACTIVITIES					
Operating Income	\$ 1,504,336	\$ 461,947	\$ 235,734	\$ 2,202,017	\$ 2,038,774
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	338,891	280,963	5,752	625,606	476,208
Changes in Assets and Liabilities					
Accounts Receivable	(134,946)	67,977	12,171	(54,798)	84,850
Accounts Payable	38,734	(57,587)	(2,243)	(21,096)	44,552
Accrued Expenses	(523)	(615)	199	(939)	1,042
Accrued Compensated Absences	641	751	-	1,392	(17,109)
Total Adjustments	<u>242,797</u>	<u>291,489</u>	<u>15,879</u>	<u>550,165</u>	<u>589,543</u>
Net Cash Provided by Operating Activities	<u>\$ 1,747,133</u>	<u>\$ 753,436</u>	<u>\$ 251,613</u>	<u>\$ 2,752,182</u>	<u>\$ 2,628,317</u>

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017

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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

In the fund financial statements, the Town reports the following major governmental funds:

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

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

The *Use Tax Capital Improvement Fund* is a special revenue fund that was created to account for various maintenance and capital projects throughout the Town.

The Town reports the following major proprietary funds:

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

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

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017

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, 2017

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, 2017, the Town does not report any balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Impact Fee, Use Tax Capital Improvement, the Cemetery, the Paving Fee and the Johnson's Corner Capital Funds as restricted because their revenues are restricted by the municipal code or taxpayer initiative; the Library Fund is classified as restricted as the revenues are restricted through taxpayer initiatives and other governments, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports unspent balances appropriated by the Town Council for contingencies, equipment replacement, and the construction of a Town recreation center. The Town also reports unspent balances in the Street Maintenance Fund as committed for capital improvements.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

State Compliance

At December 31, 2017 actual expenditures in the Paving Fund exceeded budgeted amounts by \$252. This may be a violation of State statute.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2017 follows:

Petty Cash	\$ 50
Cash Deposits	43,360,958
Investments	<u>74,053,085</u>
Total	<u>\$ 117,414,093</u>

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

Governmental Activities - Unrestricted	\$ 82,122,120
Governmental Activities – Restricted	1,784,647
Business-type Activities- Unrestricted	<u>33,507,326</u>
Total	<u>\$ 117,414,093</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, 2017, 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, 2017, the Town had deposits with financial institutions with a carrying amount of \$43,360,958. The bank balances with the financial institutions were \$43,593,399. Of these balances, \$1,000,000 was covered by federal depository insurance and \$42,593,399 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments

As of December 31, 2017 the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
U.S. Government Securities	\$ 10,787,091	\$ 3,806,181	\$ 6,980,910
U.S. Government Agencies	17,873,795	4,994,540	12,879,255
Corporate Bonds	8,994,447	4,493,736	4,500,711
Money Market Funds	1,092,038	1,092,038	-
Mutual Funds	24,725	24,725	-
Local Government Investment Pools	<u>35,280,989</u>	<u>35,280,989</u>	<u>-</u>
Total	<u>\$ 74,053,085</u>	<u>\$ 49,692,209</u>	<u>\$ 24,360,876</u>

Interest Rate Risk

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

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2017, 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 are rated Aaa by Moody's Investors. The Town's Mutual Funds are not rated.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools

The Town had invested \$15,930,533 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

The Town had invested \$19,350,456 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools (Continued)

The Town invested \$1,092,038 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, 2017, the Town held investments in U.S. Government Securities and U.S. Government Agencies in the amount of \$10,787,091 and \$17,873,795, respectively, with maturity dates of less than one and four years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

The Town held investments in Commercial Bonds and Mutual Funds in the amount of \$8,994,447 and \$24,725, respectively, with maturity dates of less than one and four years. These investments are valued with Level 1 inputs.

Restricted Cash and Investments

Cash and Investment in the amount of \$1,784,647 are restricted in the General Fund for developer and escrow deposits.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2017 is summarized below:

	Balances 12/31/16	<u>Additions</u>	<u>Deletions</u>	Balances 12/31/17
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 99,633	\$ -	\$ -	\$ 99,633
Construction in Progress	<u>242,962</u>	<u>-</u>	<u>242,962</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>342,595</u>	<u>-</u>	<u>242,962</u>	<u>99,633</u>
Capital Assets, depreciated				
Buildings	9,796,183	-	-	9,796,183
Improvements	2,938,016	242,962	-	3,180,978
Infrastructure	-	1,717,896	-	1,717,896
Equipment	<u>2,979,566</u>	<u>305,773</u>	<u>82,213</u>	<u>3,203,126</u>
Total Capital Assets, depreciated	<u>15,713,765</u>	<u>2,266,631</u>	<u>82,213</u>	<u>17,898,183</u>
Less Accumulated Depreciation				
Buildings	1,813,207	193,323	-	2,006,530
Improvements	698,586	62,761	-	761,347
Infrastructure	-	34,357	-	34,357
Equipment	<u>2,121,726</u>	<u>278,260</u>	<u>82,213</u>	<u>2,317,773</u>
Total Accumulated Depreciation	<u>4,633,519</u>	<u>568,701</u>	<u>82,213</u>	<u>5,120,007</u>
Total Capital Assets, depreciated, Net	<u>11,080,246</u>	<u>1,697,930</u>	<u>-</u>	<u>12,778,176</u>
Governmental Activities, Capital Assets, Net	<u>\$ 11,422,841</u>	<u>\$ 1,697,930</u>	<u>\$ 242,962</u>	<u>\$ 12,877,809</u>

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

Governmental Activities

General Government	\$ 111,014
Public Safety	168,146
Public Works	211,359
Culture and Recreation	<u>78,182</u>
Total	<u>\$ 568,701</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/17</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 72,405	\$ -	\$ -	\$ 72,405
Water Rights	<u>2,952,249</u>	<u>-</u>	<u>-</u>	<u>2,952,249</u>
Total Capital Assets, not depreciated	<u>3,024,654</u>	<u>-</u>	<u>-</u>	<u>3,024,654</u>
Capital Assets, depreciated				
Utility Systems	21,160,693	443,099	-	21,603,792
Equipment	<u>224,747</u>	<u>55,266</u>	<u>-</u>	<u>280,013</u>
Total Capital Assets, depreciated	<u>21,385,440</u>	<u>498,365</u>	<u>-</u>	<u>21,883,805</u>
Less: Accumulated Depreciation				
Utility Systems	7,544,647	576,145	-	8,120,792
Equipment	<u>47,367</u>	<u>49,461</u>	<u>-</u>	<u>96,828</u>
Total Accumulated Depreciation	<u>7,592,014</u>	<u>625,606</u>	<u>-</u>	<u>8,217,620</u>
Total Capital Assets, depreciated, Net	<u>13,793,426</u>	<u>(127,241)</u>	<u>-</u>	<u>13,666,185</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 16,818,080</u>	<u>\$ (127,241)</u>	<u>\$ -</u>	<u>\$ 16,690,839</u>

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

Business-type Activities

Water Fund	\$ 338,891
Wastewater Fund	280,963
Drainage Fund	<u>5,752</u>
Total	<u>\$ 625,606</u>

On July 26, 2017 the Town received a capital contribution from a developer in the form of 9 water shares of The Consolidated Home Supply Ditch and Reservoir Company. As of December 31, 2017, the Town was unable to determine the fair value at the time of acquisition, and therefore has not capitalized the water shares. The Town is in the process of determining the value during the fiscal year ended December 31, 2018.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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, 2017.

	Balance <u>12/31/16</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/17</u>	Due In <u>One Year</u>
Accrued Compensated Absences	\$ 30,754	\$ -	\$ 1,849	\$ 28,905	\$ -

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, 2017.

	Balance <u>12/31/16</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/17</u>	Due In <u>One Year</u>
Accrued Compensated Absences	\$ 15,651	\$ 1,392	\$ -	\$ 17,043	\$ -

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

NOTE 6: INTERFUND AMOUNTS

As of December 31, 2017, the following amounts were reported as Due to/From other funds:

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

At December 31, 2017, these amounts are owed between funds due to timing differences related to receipts and disbursements.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 6: INTERFUND AMOUNTS (Continued)

Interfund transfers for the year ended December 31, 2017, were comprised of the following:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Water Fund	\$ 93,070
General Fund	Library Fund	408,492
Paving Fund	Use Tax Capital Improvement Fund	252
General Fund	Use Tax Capital Improvement Fund	21,681
General Fund	Impact Fee Fund	<u>36,370</u>
Total		<u>\$ 559,865</u>

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

NOTE 7: TAX ABATEMENTS

Johnson's Corner Annexation Agreement

The Town entered into the Johnson's Corner Annexation Agreement with the owners of Johnson's Corner under the Municipal Annexation Act, Part 1 of Article 12 of Title 31 of the Colorado Revised Statutes ("C.R.S"). In exchange for the real property annexed by the Town and for the purpose of paying for certain improvements needed to service the property, the Town agreed reimburse 1% of the amount of all sales and use taxes collected from taxable activities on the property to the owners. The original annexation agreement was entered into on June 7, 1999, with an expiration of 15 years from the date of annexation. In 2008, the Town amended this agreement to extend the tax credit for an additional 5 years. During the year ended December 31, 2017, the Town reimbursed sales taxes to the owners of the Johnson's Corner Property in the amount of \$109,800.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: TAX ABATEMENTS (Continued)

WRFG Annexation Agreement

The Town entered into the WRFG Annexation Agreement, for the 2534 Development (the commercial properties along State Highway 34) under the Municipal Annexation Act, Part 1 of Article 12 of Title 31 of the Colorado Revised Statutes ("C.R.S"). In exchange for the real property annexed by the Town and for the purpose of paying for certain improvements needed to service the property, the Town has agreed to reimburse 1% of sales and use taxes to the owners of the 2534 Development. This agreement was entered into on December 14, 2000, with an expiration of 25 years from the date of the annexation. For the year ended December 31, 2016, the Town reimbursed sales taxes to the owners of the 2534 Development property in the amount of \$235,225.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

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

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

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

Members of the SWDB Plan and their employers are contributing at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approve by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

The contribution rate for members and employers of affiliated social security employers is 4.5 and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2016. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2017 the Town reported a net pension liability in the amount of \$35,231 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2016 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2016, the Town's proportion was 0.09750%, which was an increase of 0.00570% from its proportion measured as of December 31, 2015.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

For the year ended December 31, 2017 the Town recognized pension expense of \$46,698. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$31,457	\$1,792
Net difference between projected and actual earnings on pension plan investments	\$95,095	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$1,076
Change in assumptions and other inputs	\$24,065	N/A
Contributions subsequent to the measurement date	\$41,450	N/A
Total	\$192,067	\$2,868

\$41,450 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2018	\$ 36,188
2019	\$ 36,188
2020	\$ 36,188
2021	\$ 11,609
Thereafter	\$ 27,576

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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)

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, 2016. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2017
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2016
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2017 and were used in the roll-forward calculation of the total pension liability as of December 31, 2016. Actuarial assumptions effective for actuarial valuations prior to January 1, 2017 were used in the determination of the actuarially determined contributions as of December 31, 2016. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.00%*
Total	100.0%	

*While expected inflation exceeds the expected rate of return for cash, a 0% real rate of return is utilized.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$299,755	\$ 35,231	(\$ 184,470)

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, 2017

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by Pension Management. The Town matches up to 4.2% for regular full time employees and 9.2% for Department Heads. All full time employees are eligible to participate in the plan upon hire and are immediately vested. The Town contributed \$86,628 and \$85,002 to the plan for the years ended December 31, 2016 and 2017 respectively, equal to the required contribution.

NOTE 10: RISK MANAGEMENT

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

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2017, the emergency reserve of \$580,000 was recorded in the General Fund.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 12: SUBSEQUENT EVENTS

Land Purchase

On January 12, 2018, the Town purchased vacant land in the amount of \$1,000,000. The Town plans to build the Town's recreation center at this site. Construction is estimated to begin in late 2018 or early 2019.

Water Shares

On May 29, 2018 the Town received a capital contribution from a developer in the form of 13 water shares of The Consolidated Home Supply Ditch and Reservoir Company. The Town is in the process of determining the value during the fiscal year ended December 31, 2018.

NOTE 13: PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the General Fund was increased by \$267,832 to recognize sales tax revenue the should have been recorded in 2016.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Taxes and Fees	\$ 6,539,400	\$ 8,686,010	\$ 2,146,610	\$ 8,568,374
Licenses and Permits	294,500	821,249	526,749	1,037,157
Intergovernmental	481,000	832,657	351,657	536,088
Charges for Services	624,300	738,829	114,529	621,619
Fines and Forfeitures	92,000	193,169	101,169	172,567
Interest Income	55,500	217,488	161,988	82,035
Miscellaneous	34,000	135,026	101,026	171,429
TOTAL REVENUES	8,120,700	11,624,428	3,503,728	11,189,269
EXPENDITURES				
General Government	1,341,300	1,128,248	213,052	603,998
Public Safety	2,137,700	1,831,102	306,598	1,693,843
Public Works	1,414,500	1,312,620	101,880	1,366,522
Health and Welfare	71,100	67,227	3,873	116,436
Culture and Recreation	529,300	233,694	295,606	351,761
Capital Outlay	494,400	205,319	289,081	271,002
Contingencies	1,683,000	-	1,683,000	-
TOTAL EXPENDITURES	7,671,300	4,778,210	2,893,090	4,403,562
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	449,400	6,846,218	6,396,818	6,785,707
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	43,350
Transfers Out	(832,700)	(559,613)	273,087	(573,900)
TOTAL OTHER FINANCING SOURCES (USES)	(832,700)	(559,613)	273,087	(530,550)
NET CHANGE IN FUND BALANCE	(383,300)	6,286,605	6,669,905	6,255,157
FUND BALANCES, Beginning	34,059,700	37,079,286	3,019,586	30,824,129
Prior Period Adjustment	-	267,832	267,832	-
FUND BALANCE, Ending	\$ 33,676,400	\$ 43,633,723	\$ 9,957,323	\$ 37,079,286

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

IMPACT FEE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Licenses and Permits	\$ 756,000	\$ 3,406,535	\$ 2,650,535	\$ 2,065,149
Interest Income	35,000	98,976	63,976	63,292
TOTAL REVENUES	791,000	3,505,511	2,714,511	2,128,441
EXPENDITURES				
Public Safety	345,500	70,723	274,777	152,847
Public Works	2,480,000	6,305	2,473,695	70,529
Capital Outlay	-	682,711	(682,711)	-
TOTAL EXPENDITURES	2,825,500	759,739	2,065,761	223,376
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,034,500)	2,745,772	4,780,272	1,905,065
OTHER FINANCING SOURCES (USES)				
Transfers In	-	36,370	36,370	-
TOTAL OTHER FINANCING SOURCES (USES)	-	36,370	36,370	-
NET CHANGE IN FUND BALANCE	(2,034,500)	2,782,142	4,816,642	1,905,065
FUND BALANCE, Beginning	12,310,100	12,786,312	476,212	10,881,247
FUND BALANCE, Ending	<u>\$ 10,275,600</u>	<u>\$ 15,568,454</u>	<u>\$ 5,292,854</u>	<u>\$ 12,786,312</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

USE TAX CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2016 ACTUAL
REVENUES					
Taxes	\$ 850,000	\$ 850,000	\$ 2,892,774	\$ 2,042,774	\$ 3,417,716
Interest Income	40,000	40,000	144,668	104,668	87,437
TOTAL REVENUES	890,000	890,000	3,037,442	2,147,442	3,505,153
EXPENDITURES					
Public Works	2,203,500	3,055,000	561,002	2,493,998	480,157
Capital Outlay	-	-	1,019,181	(1,019,181)	-
TOTAL EXPENDITURES	2,203,500	3,055,000	1,580,183	1,474,817	480,157
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,313,500)	(2,165,000)	1,457,259	3,622,259	3,024,996
OTHER FINANCING USES					
Transfers In	-	-	21,933	21,933	42,864
TOTAL OTHER FINANCING USES	-	-	21,933	21,933	42,864
NET CHANGE IN FUND BALANCES	(1,313,500)	(2,165,000)	1,479,192	3,644,192	3,067,860
FUND BALANCES, Beginning	15,887,600	15,887,600	17,430,205	1,542,605	14,362,345
FUND BALANCES, Ending	\$ 14,574,100	\$ 13,722,600	\$ 18,909,397	\$ 5,186,797	\$ 17,430,205

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

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

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.098%	0.095%	0.092%	0.098%
Town's proportionate share of the Net Pension Liability (Asset) \$	(87,606)	\$ (107,336)	\$ (1,619)	\$ 35,231
Town's covered-employee payroll \$	853,314	\$ 868,643	\$ 911,068	\$ 997,981
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-10.3%	-12.4%	-0.2%	3.5%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%

Notes:

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

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

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutorily required contributions	34,043	\$ 34,216	\$ 36,443	\$ 39,919	\$ 41,450
Contributions in relation to the Statutorily required contributions	<u>34,043</u>	<u>34,216</u>	<u>36,443</u>	<u>39,919</u>	<u>41,450</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266
Contributions as a percentage of covered-employee payroll	3.99%	3.94%	4.00%	4.00%	3.98%

Notes:

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2017

	SPECIAL REVENUE				
	LIBRARY FUND	CEMETERY FUND	PAVING FEE FUND	STREET MAINTENANCE FEE FUND	JOHNSON'S CORNER CAPITAL FUND
ASSETS					
Cash and Investments	\$ 2,219,645	\$ 114,115	\$ -	\$ 209,189	\$ 4,628
Accounts Receivable	-	-	-	29,294	8,218
Due from Other Funds	-	-	-	-	3,743
TOTAL ASSETS	<u>\$ 2,219,645</u>	<u>\$ 114,115</u>	<u>\$ -</u>	<u>\$ 238,483</u>	<u>\$ 16,589</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	10,313	-	-	-	-
Due to Other Funds	-	-	-	-	3,789
TOTAL LIABILITIES	<u>10,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,789</u>
FUND EQUITY					
Fund Balance					
Restricted for Culture and Recreation	2,209,332	-	-	-	-
Restricted for Parks & Recreation	-	-	-	-	-
Restricted for Capital Improvements	-	-	-	-	12,800
Restricted for Cemetery Maintenance	-	114,115	-	-	-
Committed to Capital Improvements				238,483	
TOTAL FUND EQUITY	<u>2,209,332</u>	<u>114,115</u>	<u>-</u>	<u>238,483</u>	<u>12,800</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,219,645</u>	<u>\$ 114,115</u>	<u>\$ -</u>	<u>\$ 238,483</u>	<u>\$ 16,589</u>

See the accompanying independent auditors' report.

CONSERVATION	TOTALS	
	TRUST	
	FUND	
	2017	2016
\$ 2,533,293	\$ 5,080,870	\$ 4,402,707
1,092	38,604	9,127
-	3,743	3,743
<u>\$ 2,534,385</u>	<u>\$ 5,123,217</u>	<u>\$ 4,415,577</u>
\$ -	\$ -	\$ 84,503
-	10,313	9,057
-	3,789	3,789
<u>-</u>	<u>14,102</u>	<u>97,349</u>
-	2,209,332	1,892,151
2,534,385	2,534,385	2,313,966
-	12,800	2,805
-	114,115	109,306
	238,483	-
<u>2,534,385</u>	<u>5,109,115</u>	<u>4,318,228</u>
<u>\$ 2,534,385</u>	<u>\$ 5,123,217</u>	<u>\$ 4,415,577</u>

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2017

	SPECIAL REVENUE				
	LIBRARY FUND	CEMETERY FUND	PAVING FEE FUND	STREET MAINTENANCE FEE FUND	JOHNSON'S CORNER CAPITAL FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 120,028
Charges for Services	-	-	-	316,414	-
Licenses and Permits	-	-	-	-	-
Intergovernmental	344,793	-	-	-	-
Interest Income	6,796	1,272	-	131	19
Miscellaneous	8,241	3,537	-	-	-
TOTAL REVENUES	359,830	4,809	-	316,545	120,047
EXPENDITURES					
Public Works	-	-	-	78,062	-
Culture and Recreation	451,141	-	-	-	-
Capital Outlay	-	-	-	-	109,800
TOTAL EXPENDITURES	451,141	-	-	78,062	109,800
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,311)	4,809	-	238,483	10,247
OTHER FINANCING SOURCES (USES)					
Transfers In	408,492	-	-	-	-
Transfers Out	-	-	(252)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	408,492	-	(252)	-	-
NET CHANGE IN FUND BALANCE	317,181	4,809	(252)	238,483	10,247
FUND BALANCE, Beginning	1,892,151	109,306	252	-	2,553
FUND BALANCE, Ending	<u>\$ 2,209,332</u>	<u>\$ 114,115</u>	<u>\$ -</u>	<u>\$ 238,483</u>	<u>\$ 12,800</u>

See the accompanying independent auditors' report.

CONSERVATION		
TRUST	TOTALS	
FUND	2017	2016
\$ 101,751	\$ 221,779	\$ 213,059
-	316,414	-
70,005	70,005	65,500
73,680	418,473	434,929
15,674	23,892	14,697
6,149	17,927	17,957
267,259	1,068,490	746,142
-	78,062	143,000
31,113	482,254	488,192
15,727	125,527	279,422
46,840	685,843	910,614
220,419	382,647	(164,472)
-	408,492	391,700
-	(252)	-
-	408,240	391,700
220,419	790,887	227,228
2,313,966	4,318,228	4,091,000
\$ 2,534,385	\$ 5,109,115	\$ 4,318,228

TOWN OF JOHNSTOWN, COLORADO

LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017		VARIANCE	2016
	ORIGINAL AND FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES				
Intergovernmental	\$ 344,300	\$ 344,793	\$ 493	\$ 360,735
Interest Income	3,000	6,796	3,796	5,181
Miscellaneous	9,000	8,241	(759)	6,766
TOTAL REVENUES	356,300	359,830	3,530	372,682
EXPENDITURES				
Culture and Recreation	753,800	451,141	302,659	387,117
Capital Outlay	-	-	-	279,422
TOTAL EXPENDITURES	753,800	451,141	302,659	666,539
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(397,500)	(91,311)	306,189	(293,857)
OTHER FINANCING SOURCES (USES)				
Transfers In	408,500	408,492	(8)	391,700
TOTAL OTHER FINANCING SOURCES	408,500	408,492	(8)	391,700
NET CHANGE IN FUND BALANCE	11,000	317,181	306,181	97,843
FUND BALANCE, Beginning	1,770,700	1,892,151	121,451	1,794,308
FUND BALANCE, Ending	\$ 1,781,700	\$ 2,209,332	\$ 427,632	\$ 1,892,151

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Sale of Lots	\$ 2,800	\$ 3,537	\$ 737	\$ 3,463
Interest Income	100	1,272	1,172	812
TOTAL REVENUES	2,900	4,809	1,909	4,275
EXPENDITURES				
Operations and Maintenance	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	2,900	4,809	1,909	4,275
FUND BALANCES, Beginning	107,900	109,306	1,406	105,031
FUND BALANCES, Ending	<u>\$ 110,800</u>	<u>\$ 114,115</u>	<u>\$ 3,315</u>	<u>\$ 109,306</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

PAVING FEE FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest Income	-	-	-	-
TOTAL REVENUES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(252)	(252)	-
TOTAL OTHER FINANCING SOURCES	-	(252)	(252)	-
NET CHANGE IN FUND BALANCE	-	(252)	(252)	-
FUND BALANCE, Beginning	-	252	252	252
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

STREET MAINTENANCE FEE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Charges for Services	250,000	\$ 316,414	\$ 66,414
Interest Income	100	131	31
TOTAL REVENUES	250,100	316,545	66,445
EXPENDITURES			
Public Works	150,000	78,062	71,938
TOTAL EXPENDITURES	150,000	78,062	71,938
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	100,100	238,483	138,383
FUND BALANCES, Beginning	-	-	-
FUND BALANCES, Ending	\$ 100,100	\$ 238,483	\$ 138,383

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

JOHNSON'S CORNER CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Taxes	98,000	\$ 120,028	\$ 22,028	\$ 117,662
Interest Income	40	19	(21)	245
TOTAL REVENUES	98,040	120,047	22,007	117,907
EXPENDITURES				
Public Works	111,640	109,800	1,840	143,000
TOTAL EXPENDITURES	111,640	109,800	1,840	143,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,600)	10,247	23,847	(25,093)
FUND BALANCES, Beginning	13,600	2,553	(11,047)	27,646
FUND BALANCES, Ending	\$ -	\$ 12,800	\$ 12,800	\$ 2,553

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Use Tax	\$ 80,000	\$ 101,751	\$ 21,751	\$ 95,397
Licenses and Permits	62,500	70,005	7,505	65,500
Intergovernmental	55,000	73,680	18,680	74,194
Interest Income	3,500	15,674	12,174	8,459
Miscellaneous	1,200	6,149	4,949	7,728
TOTAL REVENUES	202,200	267,259	65,059	251,278
EXPENDITURES				
Culture and Recreation	81,300	31,113	50,187	101,075
Capital Outlay	-	15,727	(15,727)	-
TOTAL EXPENDITURES	81,300	46,840	34,460	101,075
NET CHANGE IN FUND BALANCE	120,900	220,419	99,519	150,203
FUND BALANCE, Beginning	2,247,600	2,313,966	66,366	2,163,763
FUND BALANCE, Ending	\$ 2,368,500	\$ 2,534,385	\$ 165,885	\$ 2,313,966

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2016 ACTUAL
REVENUES					
Charges for Services	\$ 2,100,000	\$ 2,100,000	\$ 2,710,234	\$ 610,234	\$ 2,546,993
Contributions	-	-	1,577,923	1,577,923	1,587,158
Interest Income	45,000	45,000	101,372	56,372	70,116
Miscellaneous	110,000	110,000	355,101	245,101	259,747
Transfers In	187,700	187,700	93,070	(94,630)	182,200
TOTAL REVENUES	2,442,700	2,442,700	4,837,700	2,395,000	4,646,214
EXPENDITURES					
Administration	257,300	260,100	161,248	98,852	163,222
Operations	1,059,300	1,186,600	1,060,860	125,740	1,056,072
Capital Outlay	678,500	566,500	183,247	383,253	242,809
Transfers Out	-	-	-	-	86,214
TOTAL EXPENDITURES	1,995,100	2,013,200	1,405,355	607,845	1,548,317
NET INCOME, Budget Basis	\$ 447,600	\$ 429,500	3,432,345	\$ 3,002,845	3,097,897
GAAP BASIS ADJUSTMENTS					
Capital Outlay			183,247		242,809
Depreciation Expense			(338,891)		(327,344)
NET INCOME, GAAP Basis			3,276,701		3,013,362
NET POSITION, Beginning			28,784,742		25,771,380
NET POSITION, Ending			\$ 32,061,443		\$ 28,784,742

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2016 ACTUAL
REVENUES				
Charges for Services	\$ 1,730,000	\$ 1,831,209	\$ 101,209	\$ 1,755,720
Contributions	-	191,240	191,240	222,040
Interest Income	35,000	51,725	16,725	56,314
Miscellaneous	10,000	25,538	15,538	83,246
TOTAL REVENUES	1,775,000	2,099,712	324,712	2,117,320
EXPENDITURES				
Administration	279,700	186,617	93,083	174,767
Operations	1,028,600	927,220	101,380	997,511
Capital Outlay	362,400	27,538	334,862	17,060
TOTAL EXPENDITURES	1,670,700	1,141,375	529,325	1,189,338
NET INCOME, Budget Basis	<u>\$ 104,300</u>	958,337	<u>\$ 854,037</u>	927,982
GAAP BASIS ADJUSTMENTS				
Capital Outlay		27,538		17,060
Depreciation Expense		(280,963)		(148,864)
TOTAL GAAP BASIS ADJUSTMENTS		(253,425)		(131,804)
NET INCOME, GAAP Basis		704,912		796,178
NET POSITION, Beginning		14,773,793		13,977,615
NET POSITION, Ending		<u>\$ 15,478,705</u>		<u>\$ 14,773,793</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	2017		VARIANCE Positive (Negative)	2016 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Drainage Fees	\$ 390,000	\$ 411,249	\$ 21,249	\$ 390,991
Interest Income	6,200	29,589	23,389	15,322
TOTAL REVENUES	396,200	440,838	44,638	406,313
EXPENDITURES				
Administration	126,700	79,591	47,109	78,304
Operations	546,800	90,172	456,628	51,839
Capital Outlay	2,500	287,580	(285,080)	-
TOTAL EXPENDITURES	676,000	457,343	218,657	130,143
NET INCOME, Budget Basis	<u>\$ (279,800)</u>	(16,505)	<u>\$ 263,295</u>	276,170
GAAP BASIS ADJUSTMENTS				
Capital Outlay		287,580		-
Depreciation Expense		<u>(5,752)</u>		<u>-</u>
NET INCOME, GAAP Basis		265,323		276,170
NET POSITION, Beginning		<u>2,599,306</u>		<u>2,323,136</u>
NET POSITION, Ending		<u>\$ 2,864,629</u>		<u>\$ 2,599,306</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		Town of Johnstown
		YEAR ENDING :
This Information From The Records Of (example - City of _ or County of		Prepared By:
		Phone:
		Diana Seele
		9705874664

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	380,000
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	8,939
2. General fund appropriations	37,362	b. Snow and ice removal	29,345
3. Other local imposts (from page 2)	349,366	c. Other	65,000
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	103,284
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	400,000
a. Bonds - Original Issues		6. Total (1 through 5)	883,284
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	386,728	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	496,556	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	883,284	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	883,284

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		883,284	883,284		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2017	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	349,366	g. Other Misc. Receipts	
6. Total (1. through 5.)	349,366	h. Other	
c. Total (a. + b.)	349,366	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	446,349	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	50,207	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	50,207	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	496,556	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
Notes and Comments:			