TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2022

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

FINANCIAL SECTION

JOHN CUTLER & ASSOCIATES

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown (the "Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 33-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

John Cutler & Associates, LLC

July 27, 2023

Management's Discussion and Analysis

This section of the annual financial report offers readers of the Town of Johnstown a discussion and analysis of the Town's financial performance during the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflow of resources for The Town exceeded liabilities and deferred inflow of resources by $366 million, an increase of $100.23 million, or 38 percent.

- As of December 31, 2022, net position for governmental activities was $193.6 million, up $31.4 million or 19 percent from December 31, 2021. Business type activities reported a net position of $172 million, up $68.8 million or 67 percent in the same time frame.

- General revenues account for $35,034,405 or 33 percent of all revenues. The Town had $70,545,727 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.

- The Town had $18,292,568 in expenses related to governmental activities, of which $15,852,289 were offset by program specific charges for services and operating grants, contributions. Taxes of $30,413,166 and other general revenues of $3,410,646 as shown on the statement of activities, offset the costs.

- The Town had water, sewer, and drainage charges for service income totaling $10,755,537. Grants and capital contributions revenues for these funds totaled $43,937,901. The cost of providing water, sewer, and drainage services totaled $8,263,177.

- The Town's unassigned fund balance for the General Fund is $88,099,911, the committed fund balance is $250,000, and the restricted fund balance is $1,378,000. The committed fund balance is intended to fund the operation of the Recreation Center. The unassigned portion of the Town's fund balance is available to meet the Town's reserve requirements and future spending at the Town's discretion.

- Outlays for capital assets were primarily related to infrastructure, land, and equipment, but also included water rights and buildings. See the Capital Assets Section of the Financial Statements for detail.

- The Town's governmental funds only outstanding debt are accrued compensated absences totaling $211,904 at December 31, 2022.

- The Town's business-type funds includes outstanding debt of accrued compensated absences totaling $55,740 at December 31, 2022. It also includes the debt of the bonds issued for a total of $56,215,540 at December 31, 2022.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

There are two government-wide financial statements:

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

Statement of activities – This statement presents information showing how the Town of Johnstown's net position changed during 2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g., uncollected taxes and earned but unused personal time).

The government-wide financial statements reflect three distinct activities:

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Proprietary fund statements begin on page 6 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. This information is included on pages 33 to 45 of this report.

Financial Analysis of the Town as a Whole

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2022, the Town's combined assets exceeded liabilities and deferred inflows of resources by $365,870,999.

TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF NET POSITION
2022/2021

	Governmental Activities		Business-Type Activities		Total	
	2021	**2022**	**2021**	**2022**	**2021**	**2022**
Assets						
Current Assets	127,952,219	154,315,653	88,899,411	65,666,126	216,851,630	219,981,779
Capital Assets - Net	48,211,763	57,999,840	80,136,859	171,239,509	128,348,622	229,239,349
Total Assets	176,163,982	212,315,493	169,036,270	236,905,635	345,200,252	449,221,128
Deferred Outflow of Resources						
Related to Pensions	375,224	355,166	-	-	375,224	355,166
Liabilities						
Current Liabilities	5,659,976	7,844,568	7,110,518	8,370,234	12,770,494	16,214,802
Long-Term Liabilities	136,363	211,904	56,593,854	56,271,280	56,730,217	56,483,184
Total Liabilities	5,796,339	8,056,472	63,704,372	64,641,514	69,500,711	72,697,986
Deferred Inflows of Resources						
Related to Pensions	262,934	454,267			262,934	454,267
Deferred Revenues		1,515,320	1,910,007		1,910,007	1,515,320
Deferred Property Tax Revenue	8,256,588	9,037,722			8,256,588	9,037,722
Net Position						
Net Investment in Capital Assets	48,211,763	57,999,840	80,136,856	171,239,509	128,348,622	229,239,349
Restricted	1,017,000	1,378,000			1,017,000	1,378,000
Unrestricted	112,994,582	134,229,038	23,285,032	1,024,612	136,279,614	135,253,650
Total Net Position at December 31	162,223,345	193,606,878	105,331,898	172,264,121	265,645,236	365,870,999
Total Increase in Net Position						100,225,763
Percent Increase in Net Position						37.73%

A portion of the Town of Johnstown's net position (62.66%) reflects its investment in capital assets (e.g., land, buildings, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position (.38%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position ($135,253,650) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

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

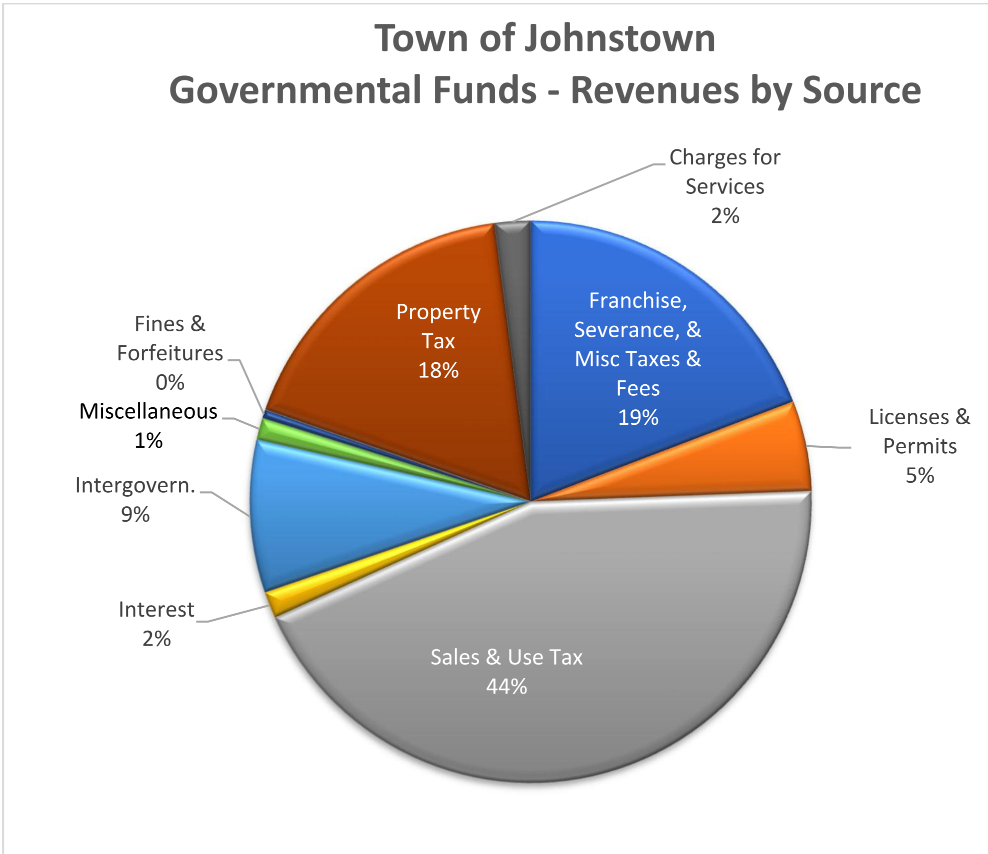
TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2022/2021

Revenues	**Governmental Activities**		**Business-Type Activities**		**Total**	
Program Revenues	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Charges for Services	5,054,897	11,485,168	8,326,070	10,755,537	13,380,967	22,240,705
Operating Grants and Contributions	551,516	2,515,468			551,516	2,515,468
Capital Grants and Contributions	1,523,771	1,851,653	24,155,632	43,937,901	25,679,403	45,789,554
General Revenues						
Property Taxes	10,161,097	8,754,412			10,161,097	8,754,412
Sales and Use Taxes	16,425,814	21,780,377			16,425,814	21,780,377
Franchise Taxes	521,849	695,140			521,849	695,140
Other Taxes	279,262	(816,763)			279,262	-816,763
Interest	132,921	754,395	32,873	1,210,593	165,794	1,964,988
Other Revenues	1,156,597	2,656,251			1,156,597	2,656,251
Loss on Disposal of Assets					0	0
Total Revenues	35,807,724	49,676,101	32,514,575	55,904,031	68,322,299	105,580,132
Expenses						
General Government	2,768,767	1,799,419			2,768,767	1,799,419
Public Safety	3,348,147	3,901,872			3,348,147	3,901,872
Public Works	5,811,240	19,262,188			5,811,240	19,262,188
Health and Welfare					0	0
Culture and Recreation	1,635,494	(6,670,911)			1,635,494	-6,670,911
Water			4,156,365	4,317,357	4,156,365	4,317,357
Sewer			2,033,228	1,669,379	2,033,228	1,669,379
Drainage			420,746	323,290	420,746	323,290
Interest on Long-Term Debt			1,198,678	1,953,150	1,198,678	1,953,150
Total Expenses	13,563,648	18,292,568	7,809,017	8,263,176	21,372,665	26,555,744
Excess (deficiency) before transfers						
Transfers	-	-	(60,000)		$ (60,000)	$ -
Prior Period Adjustment	-	-	9,800,000	21,201,375	9,800,000	21,201,375
Change in Net Position	22,244,076	31,383,533	24,645,558	47,640,855	46,889,634	79,024,388
NET POSITION, Beginning	139,979,269	162,223,345	68,641,284	103,086,842	208,955,602	265,645,236
NET POSITION, Ending	162,223,345	193,606,878	103,086,842	171,929,072	265,645,236	365,870,999

Financial Analysis of the Town's Funds

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

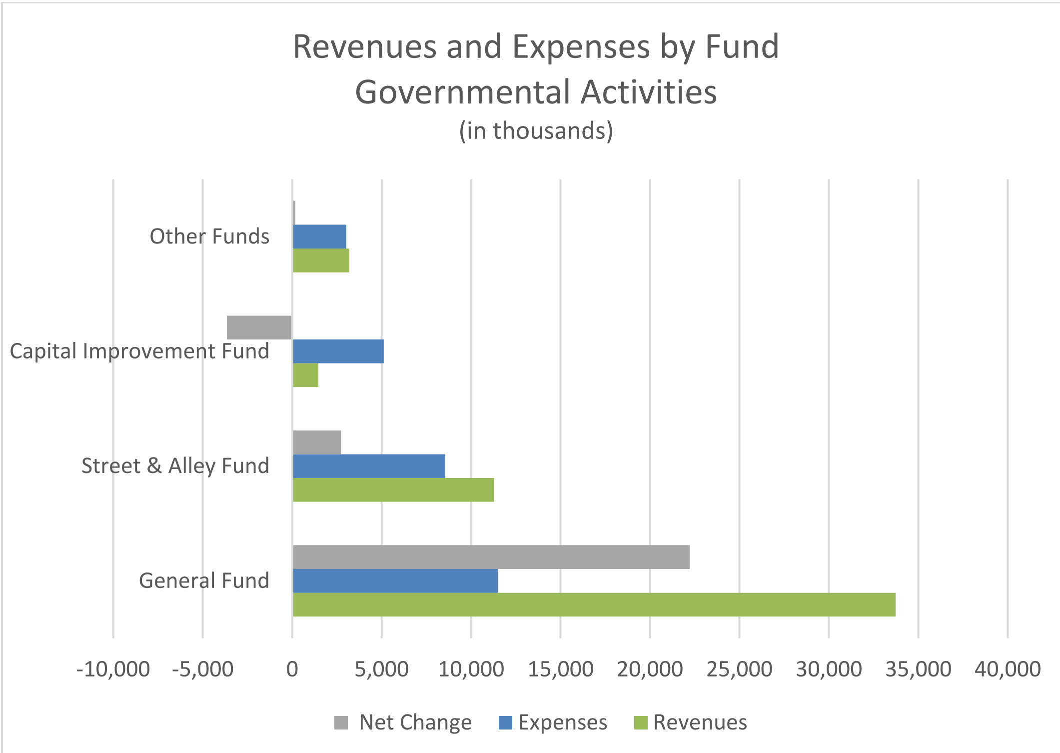
As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $135,293,662, an increase of $21,486,194. Overall revenue increased $13,868,377 million or 28%. Areas of substantial revenue increase included taxes and fees $9,711,812, licenses and permits of $1,505,947, and intergovernmental of $2,291,834. The General Fund revenue increases are primarily the result of an economy that continued to grow and the resulting sales tax collections.



Expenditures for the governmental funds for the current year increased $14,672,095 or 108%. Expenses for the General Fund increased as capital outlay increased $10,383,559. In 2022, the Street and Alley Fund recognized expenditures of $8,551,888 in road and paving projects and the Capital Improvement Fund recognized capital expenditures of $5,115,337 for the I-25 interchange project and the 2nd Street bridge.

The statement of net position reports a combined net position for governmental activities of $193,606,878 an increase of $31,383,533. The increase is primarily attributed to an increase in capital assets, cash, and receivables.

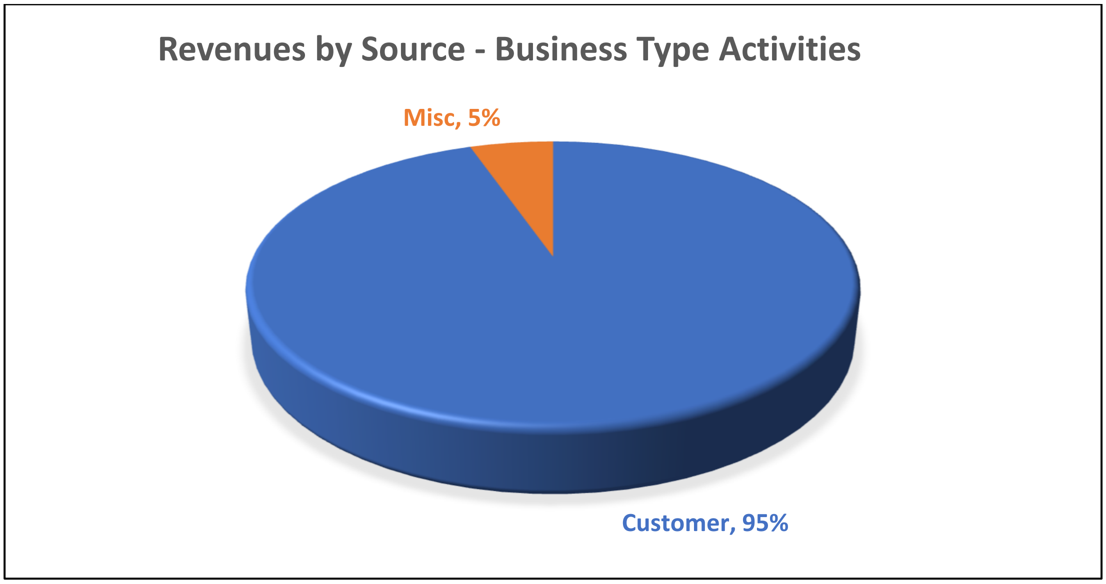
The graph below provides the program revenue and expenses (excluding transfers) for each governmental activity as well as providing net change.



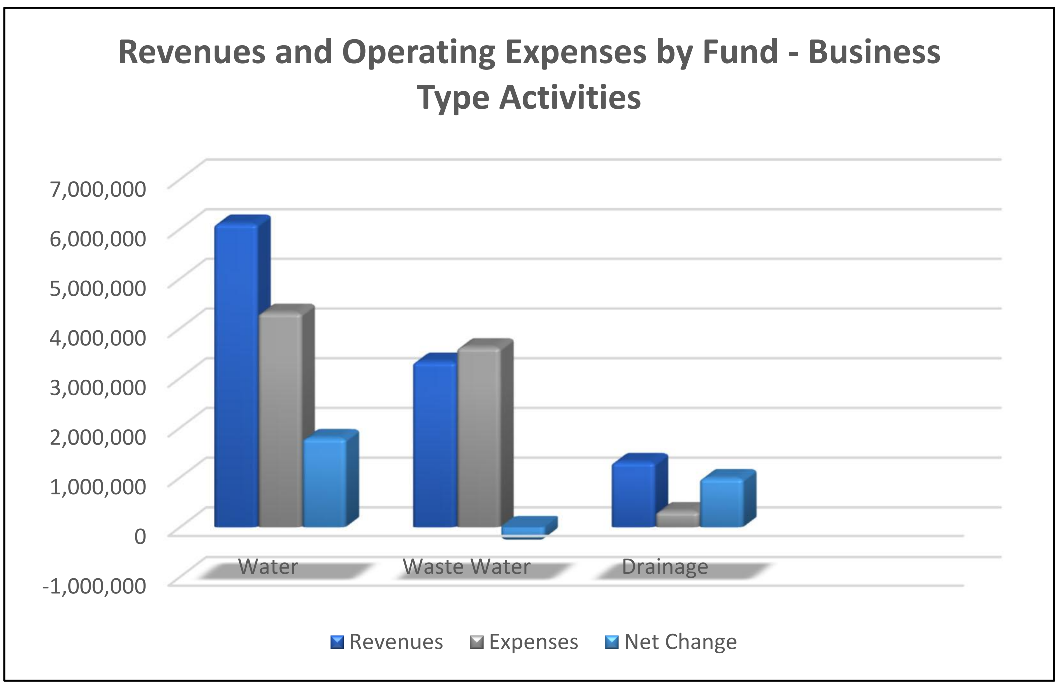
Business-type Activities. Net position of business-type activities increased by $47,640,854 million primarily due to an increase in cash and capital assets in all business type funds. The Water Fund increased $37,468,602, the Waste Water Fund increased $9,155,031 and the Drainage Fund increased $1,017,221. This net position is dedicated solely to finance the continuing operations of the water, waste water, and drainage operations.

Revenues for the Town's business-type activities, were $10,755,537, a 29 percent increase compared to the previous year. The increase in revenues is largely attributed to an increase in volume of water sales. Charges for services for business-type activities increased $2,123,553, and miscellaneous operating revenues increased $305,914. Total operating revenues increased $2,429,467. Operating expenses decreased $300,312 across all funds. Water operation costs increased $160,993 in 2022 primarily due to increases in materials costs and the costs associated with the GAC system. Waste water operations decreased $363,849 and Drainage Fund operating expenses decreased $97,456.

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



The following graph provides program revenue and expenses (excluding transfers and capital contributions) for each of the Business-Type activities operated by the Town.



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. In 2022, total fund balance increased $19,774,000. The unassigned fund balance of the General Fund at the end of 2022, totaled $88,099,911 while the total fund balance totaled $89,727,911. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. For 2022, unassigned fund balance represents approximately 7.66 times the total General Fund Expenditures, while total fund balance represents 7.8 times that same amount. While the General Fund has a healthy fund balance, the Town has a number of very large capital projects that are currently in the design and/or construction phase, which will decrease the fund balance significantly in 2023 and 2024. Preliminary estimates of the design and construction projects will move the unassigned fund balance from 7.30 times to 1 times the total General Fund Expenditures by 2025.

The Town budgeted for General Fund expenditures of $12,802,660 for the year ended December 31, 2022 and actual expenditures were $11,501,106. Expenditures were $1,301,554 less than budgeted as a result of a budget amendment to include the purchase of land. Revenues, excluding transfers, for 2022 were budgeted at $18,061,366 and actual revenues were $33,733,935. Revenues from sales taxes, use taxes, permitting for new construction, and grants were much stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2022, the Town had invested $229,239,349 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, infrastructure, vehicles and other equipment. This amount represents a net increase of $90,919,113 or 78.6 percent increase from last year. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation was $10,427,790 in the governmental activities and $11,353,480 in the business-type activities. There have been no significant changes in the condition level of the capital assets of the Town.

Long-Term Debt

The Town's governmental funds have accrued compensated absences totaling $211,904 at December 31, 2022.

The Town's business-type funds have long term debt totaling $55,405,540 consisting of Bonds, Series 2021, with premium totaling $56,215,540, a lease payable of $71,334, and accrued compensated absences of $55,740 at December 31, 2022.

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

Fiduciary Fund Activities

Cemetery Perpetual Fund

The fund received $14,872 in lot sales and investment revenues and recognized no expenditures. The fund balance at December 31, 2022, is $168,688.

Economic Factors and Next Year's Budgets and Rates

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

The following factors were taken into account when adopting the budget for 2023:

- The Town has forecast most revenues as relatively steady from 2022 through 2023. Revenues from property taxes are expected to increase only slightly as 2023 is not a reassessment year. Revenues from sales taxes are projected to increase as a result of consistent residential and commercial growth. Building permit revenues are expected to increase as there are several new areas of Town in the planning stages of development.

- The Town has conservatively forecast new growth and the mill levy for property tax revenues has been set at 22.147.

- Expenditures in the General Fund are expected to be $11,902,840. Capital projects planned for 2023 include the Downtown branding study completion, a design for the Police Department building expansion, new vehicles for the Police Department, and a copier.

- The Town's business-type activities are expected to have revenues that increase in 2023. A thorough review of the Town's business-type activity funds led to several changes that went into effect as of January 1, 2021 to ensure going concern. Customer classes were updated and restructured, the rate tiers were updated and restructured, and a water and waste water rate schedule with annual increases was adopted by Council.

Contacting the Town's Financial Management

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET POSITION
As of December 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS 2022	TOTALS 2021
ASSETS				
Cash and Investments	$ 138,063,904	$ 64,707,590	$ 202,771,494	$ 202,920,868
Restricted Cash and Investments	2,603,482	-	2,603,482	705,054
Receivables				
Property Taxes	9,037,722	-	9,037,722	8,256,588
Sales and Other	3,953,442	-	3,953,442	3,835,127
Accounts	-	928,229	928,229	872,164
Interfund Amounts	-	-	-	-
Prepaid Items	32,722	30,307	63,029	33,642
Net Pension Asset	624,381	-	624,381	228,187
Capital Assets, Not Depreciated	9,405,892	133,249,115	142,655,007	67,683,759
Capital Assets, Depreciated				
Net of Accumulated Depreciation	48,593,948	37,990,394	86,584,342	60,664,863
TOTAL ASSETS	212,315,493	236,905,635	449,221,128	345,200,252
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	355,166	-	355,166	375,224
LIABILITIES				
Accounts Payable	2,941,284	7,988,613	10,929,897	8,118,627
Retainage Payable	-	-	-	-
Accrued Salaries and Benefits	635,886	57,937	693,823	128,587
Lease Payable	-	71,334	71,334	104,558
Accrued Interest	-	162,763	162,763	162,763
Developer Escrow	4,267,398	-	4,267,398	4,179,684
Noncurrent Liabilities				
Deposits	-	89,587	89,587	76,275
Accrued Compensated Absences	211,904	55,740	267,644	182,589
Due within One Year	-	810,000	810,000	-
Due in More Than One Year	-	55,405,540	55,405,540	56,547,628
TOTAL LIABILITIES	8,056,472	64,641,514	72,697,986	69,500,711
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	454,267	-	454,267	262,934
Deferred Revenues	1,515,320	-	1,515,320	1,910,007
Deferred Property Tax Revenue	9,037,722	-	9,037,722	8,256,588
TOTAL DEFERRED INFLOWS OF RESOURCES	11,007,309	-	11,007,309	10,429,529
NET POSITION				
Net Investment in Capital Assets	57,999,840	171,239,509	229,239,349	128,348,622
Restricted for Emergencies	1,378,000	-	1,378,000	1,017,000
Unrestricted	134,229,038	1,024,612	135,253,650	136,279,614
TOTAL NET POSITION	$ 193,606,878	$ 172,264,121	$ 365,870,999	$ 265,645,236

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

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

		PROGRAM REVENUES		
INCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
IMARY GOVERNMENT				
overnmental Activities				
General Government	$ 1,799,419	$ 4,033,716	$ 134,553	$ 481,882
Public Safety	3,901,872	956,728	-	-
Public Works	19,262,188	4,564,898	-	777,009
Health and Welfare	-	-	-	-
Culture and Recreation	(6,670,911)	1,929,826	2,380,915	592,762
Total Governmental Activities	18,292,568	11,485,168	2,515,468	1,851,653
isiness-Type Activities				
Water	4,317,357	6,112,153	-	35,457,230
Wastewater	1,669,379	3,330,678	-	8,480,671
Drainage	323,290	1,312,706	-	-
Interest on Long Term Debt	1,953,150	-	-	-
Total Business-Type Activities	8,263,176	10,755,537	-	43,937,901
Total Primary Government	$ 26,555,744	$ 22,240,705	$ 2,515,468	$ 45,789,554

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 2022	TOTALS 2021
$ 2,850,732	$ -	$ 2,850,732	$ (745,380)
(2,945,144)	-	(2,945,144)	(2,831,766)
(13,920,281)	-	(13,920,281)	(2,818,559)
-	-	-	-
11,574,414	-	11,574,414	(37,759)
(2,440,279)	-	(2,440,279)	(6,433,464)
-	37,252,026	37,252,026	22,516,587
-	10,141,970	10,141,970	2,873,369
-	989,416	989,416	481,407
	(1,953,150)	(1,953,150)	(1,198,678)
-	46,430,262	46,430,262	24,672,685
(2,440,279)	46,430,262	43,989,983	18,239,221
21,780,377	-	21,780,377	16,425,814
8,754,412	-	8,754,412	10,161,097
695,140	-	695,140	521,849
(816,763)	-	(816,763)	279,262
754,395	1,210,593	1,964,988	165,794
2,656,251	-	2,656,251	1,156,597
-	-	-	(60,000)
33,823,812	1,210,593	35,034,405	28,650,413
31,383,533	47,640,855	79,024,388	46,889,634
-	21,201,375	21,201,375	9,800,000
162,223,345	103,421,891	265,645,236	208,955,602
$ 193,606,878	$ 172,264,121	$ 365,870,999	$ 265,645,236

TOWN OF JOHNSTOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	$ 90,284,694	$ 18,137,720	$ 12,953,203	$ 16,688,287
Restricted Cash and Investments	2,471,370	-	-	132,112
Taxes Receivable	9,037,722	-	-	-
Accounts Receivable	2,871,055	739,666	164,294	178,427
Prepaid Items	19,403	12,346	-	973
TOTAL ASSETS	$ 104,684,244	$ 18,889,732	$ 13,117,497	$ 16,999,799
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	$ 643,107	$ 735,397	$ 1,493,210	$ 69,570
Accrued Liabilities	187,994	290,708	60,273	96,911
Developer Escrows and Deposits	3,572,190	-	695,208	-
TOTAL LIABILITIES	4,403,291	1,026,105	2,248,691	166,481
DEFERRED INFLOWS OF RESOURCES				
Deferred Grant Revenue	1,515,320	-	-	-
Deferred Property Tax Revenue	9,037,722	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	10,553,042	-	-	-
FUND EQUITY				
Fund Balance				
Restricted for Emergencies	1,378,000	-	-	-
Restricted for Culture and Recreation	-	-	-	8,539,939
Restricted for Parks & Recreation	-	-	-	8,124,691
Restricted for Capital Improvements	-	17,863,627	10,868,806	-
Restricted for Cemetery Maintenance	-	-	-	168,688
Committed for Recreation Center	250,000	-	-	-
Unassigned	88,099,911	-	-	-
TOTAL FUND EQUITY	89,727,911	17,863,627	10,868,806	16,833,318
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	$ 104,684,244	$ 18,889,732	$ 13,117,497	$ 16,999,799

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 ($211,904), Net Pension Asset $624,381, Deferred Outflows Related to Pensions $355,166, and Deferred Inflows Related to Pensions of ($454,267).

Net position of governmental activities

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

TOTAL GOVERNMENTAL FUNDS	
2022	2021
$ 138,063,904	$ 114,904,050
2,603,482	705,054
9,037,722	8,256,588
3,953,442	3,835,127
32,722	23,213
$ 153,691,272	$ 127,724,032
$ 2,941,284	$ 1,379,502
635,886	100,790
4,267,398	4,179,684
7,844,568	5,659,976
1,515,320	-
9,037,722	8,256,588
10,553,042	8,256,588
1,378,000	1,017,000
8,539,939	6,665,722
8,124,691	7,377,971
28,732,433	29,656,048
168,688	153,816
250,000	250,000
88,099,911	68,686,911
135,293,662	113,807,468
57,999,840	48,211,763
313,376	204,114
$ 193,606,878	$ 162,223,345

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
REVENUES				
Taxes and Fees	$ 27,448,150	$ 9,438,854	$ 1,334,609	$ 1,852,554
Licenses and Permits	2,582,811	-	-	-
Intergovernmental	2,495,231	777,009	-	1,094,881
Charges for Services	-	955,348	-	76,572
Fines and Forfeitures	243,213	-	-	-
Interest Income	359,913	111,264	125,291	157,927
Miscellaneous	604,617	1,235	-	16,622
TOTAL REVENUES	33,733,935	11,283,710	1,459,900	3,198,556
EXPENDITURES				
General Government	2,534,277	-	-	-
Public Safety	4,115,595	-	-	-
Public Works	2,349,027	5,106,102	7,800	-
Culture and Recreation	525,000	-	-	1,411,626
Capital Outlay	1,977,207	3,445,786	5,107,537	1,609,950
TOTAL EXPENDITURES	11,501,106	8,551,888	5,115,337	3,021,576
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,232,829	2,731,822	(3,655,437)	176,980
OTHER FINANCING SOURCES (USES)				
Transfers In	613,266	-	-	2,458,829
Transfers Out	(3,072,095)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,458,829)	-	-	2,458,829
NET CHANGE IN FUND BALANCES	19,774,000	2,731,822	(3,655,437)	2,635,809
FUND BALANCES, Beginning	69,953,911	15,131,805	14,524,243	14,197,509
FUND BALANCES, Ending	$ 89,727,911	$ 17,863,627	$ 10,868,806	$ 16,833,318

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

TOTAL GOVERNMENTAL FUNDS	
2022	2021
$ 40,074,167	$ 30,362,355
2,582,811	1,076,864
4,367,121	2,075,287
1,031,920	875,521
243,213	271,401
754,395	132,921
622,474	1,013,375
49,676,101	35,807,724
2,534,277	3,026,863
4,115,595	3,275,647
7,462,929	3,843,000
1,936,626	1,615,381
12,140,480	1,756,921
28,189,907	13,517,812
21,486,194	22,289,912
3,072,095	1,851,006
(3,072,095)	(1,851,006)
-	-
21,486,194	22,289,912
113,807,468	91,517,556
$ 135,293,662	$ 113,807,468

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, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Changes in Fund Balances - Total Governmental Funds	$ 21,486,194
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 $11,375,911, exceeded depreciation ($1,587,834), in the current year.	9,788,077
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.	(75,541)
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	184,803
Change in Net Position of Governmental Activities	$ 31,383,533

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, 2022

ASSETS	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS 2022	TOTALS 2021
Current Assets					
Cash and Investments	$ 18,030,853	$ 42,699,361	$ 3,977,376	$ 64,707,590	$ 88,016,818
Accounts Receivable, net	420,761	261,466	246,002	928,229	872,167
Grants Receivable	-	-	-	-	-
Prepaid Expenses	13,318	15,044	1,945	30,307	10,430
Due from Other Funds	-	-	-	-	-
Total Current Assets	18,464,932	42,975,871	4,225,323	65,666,126	88,899,415
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	123,345,674	46,567,725	1,326,110	171,239,509	80,136,856
TOTAL ASSETS	141,810,606	89,543,596	5,551,433	236,905,635	169,036,271
LIABILITIES					
Current Liabilities					
Accounts Payable	2,033,009	5,923,392	32,212	7,988,613	6,739,125
Accrued Expenses	24,813	26,071	7,053	57,937	27,797
Lease Payable	35,667	35,667	-	71,334	-
Accrued Interest	-	162,763	-	162,763	162,763
Deferred Revenues	-	-	-	-	1,910,007
Total Current Liabilities	2,093,489	6,147,893	39,265	8,280,647	8,839,692
Noncurrent Liabilities					
Deposits	74,682	14,905	-	89,587	76,275
Accrued Compensated Absences	25,823	19,425	10,492	55,740	46,226
Due within One Year	-	810,000	-	810,000	34,960
Due in More Than One Year	-	55,405,540	-	55,405,540	56,617,227
Total Noncurrent Liabilities	100,505	56,249,870	10,492	56,360,867	56,774,688
TOTAL LIABILITIES	2,193,994	62,397,763	49,757	64,641,514	65,614,380
NET POSITION					
Net Investment in Capital Assets	123,345,674	46,567,725	1,326,110	171,239,509	80,136,856
Unrestricted	16,270,938	(19,421,892)	4,175,566	1,024,612	23,285,035
TOTAL NET POSITION	$ 139,616,612	$ 27,145,833	$ 5,501,676	$ 172,264,121	$ 103,421,891

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, 2022

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS 2022	TOTALS 2021
OPERATING REVENUES					
Charges for Services	$ 5,857,782	$ 3,015,211	$ 1,312,706	$ 10,185,699	$ 8,062,146
Miscellaneous	254,371	315,467	-	569,838	263,924
TOTAL OPERATING REVENUES	6,112,153	3,330,678	1,312,706	10,755,537	8,326,070
OPERATING EXPENSES					
Administration	232,318	211,255	137,706	581,279	516,768
Operations	3,567,015	1,223,031	176,027	4,966,073	5,422,634
Depreciation	518,024	235,093	9,557	762,674	670,937
TOTAL OPERATING EXPENSES	4,317,357	1,669,379	323,290	6,310,026	6,610,339
OPERATING INCOME	1,794,796	1,661,299	989,416	4,445,511	1,715,731
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	216,577	966,211	27,805	1,210,593	32,873
Grant Income	-	4,387,299	-	4,387,299	978,500
Debt Service	-	(1,953,150)	-	(1,953,150)	(1,198,678)
TOTAL NON-OPERATING REVENUES (EXPENSES)	216,577	3,400,360	27,805	3,644,742	(187,305)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFER	2,011,373	5,061,659	1,017,221	8,090,253	1,528,426
Capital Contributions	35,457,230	4,093,372	-	39,550,602	23,177,132
Transfers Out	-	-	-	-	(60,000)
NET INCOME	37,468,603	9,155,031	1,017,221	47,640,855	24,645,558
NET POSITION, Beginning as Previously Reported	80,946,634	17,990,802	4,484,455	103,421,891	68,976,333
Prior Period Adjustment	21,201,375	-	-	21,201,375	9,800,000
NET POSITION, Beginning, as restated	102,148,009	17,990,802	4,484,455	124,623,266	78,776,333
NET POSITION, Ending	$ 139,616,612	$ 27,145,833	$ 5,501,676	$ 172,264,121	$ 103,421,891

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, 2022
Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS 2022	TOTALS 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	$ 6,220,131	$ 1,457,978	$ 1,111,354	$ 8,789,463	$ 10,505,629
Cash Paid to Suppliers	(4,608,648)	747,972	(417,413)	(4,278,089)	(96,965)
Net Cash Provided by Operating Activities	1,611,483	2,205,950	693,941	4,511,374	10,408,664
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(41,619,139)	(28,813,880)	(230,927)	(70,663,946)	(35,819,069)
Capital Contributions	35,457,230	4,093,372	-	39,550,602	23,177,132
Proceeds from Capital Grants	-	4,387,299	-	4,387,299	978,500
Proceeds from Debt	(16,612)	(348,700)	-	(365,312)	56,652,186
Interest Payments	0	(1,953,150)	-	(1,953,150)	(1,035,915)
Deposits from Customers	13,312	-	-	13,312	(36,187)
Payments from Other Funds	-	-	-	-	(60,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,165,209)	(22,635,059)	(230,927)	(29,031,195)	43,856,647
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	216,577	966,211	27,805	1,210,593	32,873
Net Cash Provided by Investing Activities	216,577	966,211	27,805	1,210,593	32,873
Net Increase in Cash and Cash Equivalents	(4,337,149)	(19,462,898)	490,819	(23,309,228)	54,298,184
CASH AND INVESTMENTS, Beginning	22,368,002	62,162,259	3,486,557	88,016,818	33,718,634
CASH AND INVESTMENTS, Ending	$ 18,030,853	$ 42,699,361	$ 3,977,376	$ 64,707,590	$ 88,016,818
OPERATING ACTIVITIES					
Operating Income	$ 1,794,796	$ 1,661,299	$ 989,416	$ 4,445,511	$ 1,715,731
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	518,024	235,093	9,557	762,674	670,936
Changes in Assets and Liabilities					
Accounts Receivable	107,978	37,307	(201,352)	(56,067)	(28,948)
Grants Receivable	-	-	-	-	298,500
Prepaid Expenses	(8,769)	(11,607)	498	(19,878)	(10,429)
Accounts Payable	(817,896)	2,177,669	(110,286)	1,249,487	5,855,751
Accrued Expenses	13,924	12,517	3,699	30,140	(5,858)
Deferred Revenues	-	(1,910,007)	-	(1,910,007)	1,910,007
Accrued Compensated Absences	3,426	3,679	2,409	9,514	2,974
Total Adjustments	(183,313)	544,651	(295,475)	65,863	8,692,933
Net Cash Provided by Operating Activities	$ 1,611,483	$ 2,205,950	$ 693,941	$ 4,511,374	$ 10,408,664

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

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.

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.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

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

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

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

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

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

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

The Town reports the following major proprietary funds:

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

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

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

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.

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.

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, 2022, the Town did not report any nonspendable its prepaid items as nonspendable resources.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the fund balances for Street and Alley, Capital Improvement, the Cemetery, and the Parks and Open Space Funds as restricted because their revenues are restricted by the municipal code or taxpayer initiative; the Library Fund is classified as restricted as the revenues are restricted through taxpayer initiatives and other governments, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports unspent balances appropriated by the Town Council for contingencies, equipment replacement, and the construction of a Town recreation center.

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

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.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to December 31, the budget is legally enacted through passage of a resolution.

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: ***DEPOSITS AND INVESTMENTS***

A summary of deposits and investments as of December 31, 2022, follows:

Petty Cash	$ 1,481
Cash Deposits	38,019,339
Investments	167,354,156
Total	**$205,374,976**

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

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

Governmental Activities - Unrestricted	$ 138,063,904
Governmental Activities – Restricted	2,603,482
Business-type Activities- Unrestricted	64,707,590
Total	**$205,374,976**

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, 2022, 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, 2022, the Town had deposits with financial institutions with a carrying amount of $38,019,339. The bank balances with the financial institutions were $39,056,388. Of these balances, $250,000 was covered by federal depository insurance and $38,806,388 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2022, the Town had the following investments and maturities:

		Maturities (in Years)	
Type of Investment	Fair Value	0 – 1 Years	1 – 5 Years
U.S. Government Securities	$ 23,409,458	$ 17,700,355	$ 5,709,103
U.S. Government Agencies	17,611,124	14,353,885	3,257,239
Money Market Funds	20,901	20,901	-
Local Government Investment Pools	126,312,673	126,312,673	-
Total	**$ 167,354,156**	**$ 158,387,814**	**$ 8,966,342**

NOTE 3: *DEPOSITS AND INVESTMENTS* (Continued)

Investments (Continued)

Interest Rate Risk

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

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2022, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Services for its U.S. Government Agencies and Securities. The Town's Corporate Bonds ratings range from A1 by Moody's Investors.

Investment Pools

The Town had invested $73,968,758 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 statues, 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.

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

Investments (Continued)

Investment Pools (Continued)

The Town had invested $52,343,915 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

The Town invested $20,901 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, 2022, the Town held investments in U.S. Government Securities and U.S. Government Agencies in the amount of $23,409,458 and $17,611,124, respectively, with maturity dates of less than one and five years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

Investments (Continued)

Restricted Cash and Investments

Cash and Investment in the amount of $2,471,370 are restricted in the General Fund for developer and escrow deposits and funds in the amount of $132,112 are restricted in the Conservation Trust Fund for parks and recreation.

NOTE 4: ***CAPITAL ASSETS***

Capital assets activity for the year ended December 31, 2022 is summarized below:

	Balances 12/31/2021	Additions	Deletions	Balances 12/31/2022
Governmental Activities				
Capital Assets, not depreciated				
Land	$ 1,099,633	$ 1,539,860	$ -	$ 2,639,493
Water Shares	962,500	-	-	962,500
Construction in Progress	926,129	5,304,862	427,092	5,803,899
Total Capital Assets, not depreciated	2,988,262	6,844,722	427,092	9,405,892
Capital Assets, depreciated				
Buildings	40,396,533	52,298	-	40,448,831
Improvements	3,400,767	178,337	-	3,579,104
Infrastructure	3,966,658	4,177,973	-	8,144,631
Equipment	6,299,499	549,673	-	6,849,172
Total Capital Assets, depreciated	54,063,457	4,958,281	-	59,021,738
Less Accumulated Depreciation				
Buildings	3,799,900	805,856	-	4,605,756
Improvements	1,024,930	77,193	-	1,102,123
Infrastructure	231,093	176,357	-	407,450
Equipment	3,784,033	528,428	-	4,312,461
Total Accumulated Depreciation	8,839,956	1,587,834	-	10,427,790
Total Capital Assets, depreciated, Net	45,223,501	(3,370,447)	-	48,593,948
Governmental Activities, Capital Assets, Net	**$ 48,211,763**	**$ 10,215,169**	**$ 427,092**	**$ 57,999,840**

NOTE 4: *CAPITAL ASSETS* (Continued)

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

Governmental Activities

General Government	$ 925,224
Public Safety	160,368
Public Works	336,399
Culture and Recreation	165,843
Total	**$ 1,587,834**

	Balances (Restated) 12/31/2021	Additions	Deletions	Balances 12/31/2022
Business-Type Activities				
Capital Assets, not depreciated				
Land	$ 104,306	$ 148,059	$ -	$ 252,365
Water Rights	57,439,362	39,029,362	-	96,468,728
Lease Assets	104,558	-	33,225	71,333
Construction in Progress	17,018,885	40,541,262	11,131,841	46,428,306
Total Capital Assets, not depreciated	74,667,111	79,718,683	11,165,066	143,220,732
Capital Assets, depreciated				
Utility Systems	24,673,139	13,189,135	-	37,864,200
Equipment	1,359,026	149,031	-	1,508,058
Total Capital Assets, depreciated	26,032,165	13,340,092	-	39,372,257
Less: Accumulated Depreciation				
Utility Systems	10,226,038	671,599	-	10,897,637
Equipment	364,769	91,074	-	455,843
Total Accumulated Depreciation	10,590,807	762,673	-	11,353,480
Total Capital Assets, depreciated, Net	15,441,358	12,577,419	-	28,018,777
Business-Type Activities, Capital Assets, Net	**$ 90,108,469**	**$ 92,296,102**	**$ 11,165,066**	**$ 171,239,509**

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

Business-type Activities

Water Fund	$ 518,024
Wastewater Fund	235,093
Drainage Fund	9,556
Total	**$ 762,673**

NOTE 4: ***CAPITAL ASSETS*** (Continued)

The Town has determined that it has received various capital contributions in the form of water rights through various agreements with developers over the years. The Town is unable to determine the quantity and fair value at the time the ownership was transferred to the Town, and therefore has not capitalized these water rights. The Town will be continuing its process of determining the acquisition value of additional water rights and shares owned during the year ended December 31, 2022.

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, 2022.

	Balance 12/31/2021	Additions	Payments	Balance 12/31/2022	Due In One Year
Accrued Compensated Absences	**$ 136,363**	**$ 75,541**	**$ -**	**$ 211,904**	**$ -**

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, 2022.

	Balance 12/31/2021	Additions	Payments	Balance 12/31/2022	Due In One Year
Bonds, Series 2021	$46,585,000	-	$ -	$46,585,000	$ 810,000
Premium	9,962,628	-	332,088	9,630,540	-
Accrued Compensated Absences	46,227	9,513	-	55,740	-
	$ 56,698,413	**$ 9,513**	**$ 332,088**	**$ 56,271,280**	**$ 810,000**

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

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Future Debt Service Requirements

Annual debt service requirements for the bonds at December 31, 2022, are as follows.

Year Ended December 31,	Total	Principal	Interest
2023	$ 810,000	$ 3,989	$ 71,944
2024	855,000	11,601	71,944
2025	900,000	8,889	71,944
2026	940,000	6,055	71,944
2027	990,000	1,777,900	2,767,900
2028-2032	5,745,000	8,095,750	13,840,750
2033-2037	7,110,000	6,722,200	13,832,200
2038-2042	8,660,000	5,181,400	13,841,400
2043-2037	10,530,000	3,305,600	13,835,600
2048-2051	10,045,000	1,024,200	11,069,200
Total Debt Service Requirements	**$46,585,000**	**$33,667,650**	**$80,252,650**

NOTE 6: ***INTERFUND AMOUNTS***

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

Transfers To Other Funds	Transfers From Other Funds	Amount
General Fund	Parks and Open Space Fund	$ 1,162,000
General Fund	Library Fund	1,296,829
General Fund	Tax Allocation Fund	613,266
Total		**$ 3,072,095**

NOTE 7: ***TAX ABATEMENTS***

WRFG Annexation Agreement

The Town entered into the WRFG Annexation Agreement, for the 2534 Development (the commercial properties along State Highway 34) under the Municipal Annexation Act, Part 1 of Article 12 of Title 31 of the Colorado Revised Statutes ("C.R.S"). In exchange for the real property annexed by the Town and for the purpose of paying for certain improvements needed to service the property, the Town has agreed to reimburse 1% of sales and use taxes to the owners of the 2534 Development. This agreement was entered into on December 14, 2000, with an expiration of 25 years from the date of the annexation. For the year ended December 31, 2022, the Town reimbursed sales taxes to the owners of the 2534 Development property in the amount of $757,589.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Statewide Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies (Continued)

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

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

General Information about the Plan

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

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

General Information about the Plan (Continued)

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2022, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2022, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Plan (Continued)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2021 and 2022. Employer contributions will increase 0.5 percent annually beginning in 2022 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23 percent and 23.5 percent of pensionable earnings in 2021 and 2022, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2022, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.5 percent in 2021 and 9.75 percent in 2022. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent and 4.25 percent in 2021 and 2022, respectively. Employer contributions will increase 0.25 percent annually beginning in 2022 through 2030 to a total of 6.5 percent of pensionable earnings.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

At December 31, 2022, the District reported an asset in the amount of $624,381 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The District's proportion of the net pension asset was based on the District's contributions to the SWDB Plan for the calendar year 2021 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2021 the City's proportion was 0.11521%, which was an increase of 0.01011% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022 the District recognized a pension income of $91,710. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$178,793	$14,562
Net difference between projected and actual earnings on pension plan investments	N/A	$417,871
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	$21,834
Change in assumptions and other inputs	$83,280	N/A
Contributions subsequent to the measurement date	$93,093	N/A
Total	**$355,166**	**$454,267**

$93,093 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Year ended December 31	
2022	($61,704)
2023	($104,927)
2024	($61,218)
2025	($21,137)
2026	$50,593
Thereafter	$6,199

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, 2022. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent

*Includes Inflation at 2.5%

Actuarially Determined Contributions:

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

*Includes Inflation at 2.5%

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

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

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	$(86,106)	($624,450)	($1,070,311)

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

NOTE 9: ***OTHER RETIREMENT COMMITMENTS***

Deferred Compensation Plan

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

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

The Town contributed $136,319, and $201,817, and $475,394 to the plans for the years ended December 31, 2020, 2021, and 2022 respectively, equal to the required contributions.

NOTE 10: ***RISK MANAGEMENT***

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

NOTE 11: ***COMMITMENTS AND CONTINGENCIES***

Facility Management Agreement

In April 2018, the Town entered into a Facility Management Agreement with the YMCA of Boulder Valley. Per the agreement, the YMCA has agreed to manage and operate the Recreation Facility owed by the Town. The YMCA will use Facility Revenues to cover normal and routine operating costs of the Facility and the Town has agreed to provide an operating subsidy in an amount not to exceed $500,000 annually, to cover any shortfall from operations.

This agreement is effective through December 31, 2031, and unless one party gives written notice to the other, the Agreement shall automatically renew for additional ten-year terms. During the year ended December 31, 2022, the Town paid an operating subsidy in to the YMCA the amount of $500,000, equal to the amount required per the terms of this agreement.

NOTE 11: ***COMMITMENTS AND CONTINGENCIES*** (Continued)

Water Agreement

The Town entered into a Water Agreement with W.R. Investment LLC ("WRI"), whereby the Town has agreed to a partial infrastructure cost reimbursement to settle a conflict created by a water decree issued to WRI in 2017 related to water usage implemented in prior agreements between the Town and WRI. Per the terms of the cost reimbursement agreement, the Town agreed to pay WRI $4,600 per building permit issued up to 305 permits. For the year ended December 31, 2021, the Town reimbursed WRI $450,800 and recorded a liability in the Water Fund in the amount of $41,400 for the remaining 9 permits yet to be issued. As of January 2022, all permits have been issued and reimbursed.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 2000, voters within the Town approved the collection, retention and expenditure the full amount of the town taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of $1,378,000 was recorded in the General Fund.

NOTE 12: ***PRIOR PERIOD ADJUSTMENT***

The beginning net position of the Water Fund was increased by $21,201,375 to properly included water rights that were given to the Town but not previously recorded.

NOTE 13: ***SUBSEQUENT EVENTS***

Potential subsequent events were considered through July 27, 2023. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes and Fees	$ 16,413,716	$ 16,413,716	$ 27,448,150	$ 11,034,434
Licenses and Permits	1,150,050	1,150,050	2,582,811	1,432,761
Intergovernmental	112,500	112,500	2,495,231	2,382,731
Charges for Services	-	-	-	-
Fines and Forfeitures	160,500	160,500	243,213	82,713
Interest Income	52,500	52,500	359,913	307,413
Miscellaneous	172,100	172,100	604,617	432,517
TOTAL REVENUES	18,061,366	18,061,366	33,733,935	15,672,569
EXPENDITURES				
General Government	5,134,130	5,134,130	2,534,277	2,599,853
Public Safety	4,515,580	4,515,580	4,115,595	399,985
Public Works	761,200	761,200	2,349,027	(1,587,827)
Culture and Recreation	500,000	525,000	525,000	-
Capital Outlay	357,750	1,866,750	1,977,207	(110,457)
TOTAL EXPENDITURES	11,268,660	12,802,660	11,501,106	1,301,554
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,792,706	5,258,706	22,232,829	16,974,123
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	613,266	613,266
Transfers Out	(42,837,000)	(42,837,000)	(3,072,095)	39,764,905
TOTAL OTHER FINANCING SOURCES (USES)	(42,837,000)	(42,837,000)	(2,458,829)	40,378,171
NET CHANGE IN FUND BALANCE	(36,044,294)	(37,578,294)	19,774,000	57,352,294
FUND BALANCES, Beginning, as Restated	64,808,551	64,808,551	69,953,911	5,145,360
FUND BALANCE, Ending	$ 28,764,257	$ 27,230,257	$ 89,727,911	$ 62,497,654

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

STREET AND ALLEY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes and Fees	$ 4,633,950	$ 4,633,950	$ 9,438,854	$ 4,804,904
Intergovernmental	566,667	566,667	777,009	210,342
Charges for Services	-	-	955,348	955,348
Interest Income	2,000	2,000	111,264	109,264
Miscellaneous	-	-	1,235	1,235
TOTAL REVENUES	5,202,617	5,202,617	11,283,710	6,081,093
EXPENDITURES				
Public Works	3,599,400	3,599,400	5,106,102	(1,506,702)
Capital Outlay	2,769,000	5,769,000	3,445,786	2,323,214
TOTAL EXPENDITURES	6,368,400	9,368,400	8,551,888	816,512
NET CHANGE IN FUND BALANCES	(1,165,783)	(4,165,783)	2,731,822	6,897,605
FUND BALANCES, Beginning, as Restated	12,259,155	12,259,155	15,131,805	2,872,650
FUND BALANCES, Ending	$ 11,093,372	$ 8,093,372	$ 17,863,627	$ 9,770,255

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	$ 240,000	$ 1,334,609	$ 1,094,609
Interest Income	4,500	125,291	120,791
TOTAL REVENUES	244,500	1,459,900	1,215,400
EXPENDITURES			
Public Works	11,500	7,800	3,700
Capital Outlay	7,100,000	5,107,537	1,992,463
TOTAL EXPENDITURES	7,111,500	5,115,337	1,996,163
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,867,000)	(3,655,437)	3,211,563
OTHER FINANCING USES			
Transfers Out	(60,000)	-	60,000
NET CHANGE IN FUND BALANCES	(6,927,000)	(3,655,437)	3,271,563
FUND BALANCES, Beginning	13,640,578	14,524,243	883,665
FUND BALANCES, Ending	$ 6,713,578	$ 10,868,806	$ 4,155,228

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

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

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Town's proportionate share of the Net Pension Liability (Asset)	0.098%	0.095%	0.092%	0.098%	0.092%	0.095%	0.098%	0.105%	0.115%
Town's proportionate share of the Net Pension Liability (Asset)	$ (87,606)	$ (107,336)	$ (1,619)	$ 35,231	$ (132,637)	$ 120,358	$ (55,237)	$ (228,187)	$ (624,381)
Town's covered payroll	$ 853,314	$ 868,643	$ 911,068	$ 997,981	$ 1,040,266	$ 1,277,103	$ 1,439,700	$ 1,756,468	$ 1,756,485
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-10.3%	-12.4%	-0.2%	3.5%	-12.8%	9.4%	-3.8%	-13.0%	-35.5%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%

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,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contributions	34,043	$ 34,216	$ 36,443	$ 39,919	$ 41,450	$ 51,016	$ 57,587	$ 70,259	$ 78,837	$ 93,093
Contributions in relation to the Statutorily required contributions	34,043	34,216	36,443	39,919	41,450	51,016	57,587	70,259	78,837	93,093
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 853,314	$ 868,643	$ 911,068	$ 997,981	$ 1,040,266	$ 1,277,103	$ 1,439,700	$ 1,756,485	$ 1,873,246	$ 2,327,325
Contributions as a percentage of covered payroll	3.99%	3.94%	4.00%	4.00%	3.98%	3.99%	4.00%	4.00%	4.21%	4.00%

Notes:

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

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2022

	SPECIAL REVENUE			
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	TOTAL
ASSETS				
Cash and Investments	$ 8,525,506	$ 168,888	$ 7,993,893	$ 16,688,287
Restricted Cash and Investments	-	-	132,112	132,112
Accounts Receivable	100,322	-	78,105	178,427
Prepaid Expenses	-	-	973	973
TOTAL ASSETS	$ 8,625,828	$ 168,888	$ 8,205,083	$ 16,999,799
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ -	$ 200	$ 69,370	$ 69,570
Accrued Liabilities	85,889	-	11,022	96,911
TOTAL LIABILITIES	85,889	200	80,392	166,481
FUND EQUITY				
Fund Balance				
Restricted for Culture and Recreation	8,539,939	-	-	8,539,939
Restricted for Parks & Recreation	-	-	8,124,691	8,124,691
Restricted for Cemetery Maintenance	-	168,688	-	168,688
TOTAL FUND EQUITY	8,539,939	168,688	8,124,691	16,833,318
TOTAL LIABILITIES AND FUND BALANCES	$ 8,625,828	$ 168,888	$ 8,205,083	$ 16,999,799

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2022

	SPECIAL REVENUE			
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	TOTAL
REVENUES				
Taxes and Fees	$ 793,779	$ -	$ 1,058,775	$ 1,852,554
Charges for Services	-	-	76,572	76,572
Intergovernmental	486,738	-	608,143	1,094,881
Interest Income	116,540	1,974	39,413	157,927
Miscellaneous	2,368	12,898	1,356	16,622
TOTAL REVENUES	1,399,425	14,872	1,784,259	3,198,556
EXPENDITURES				
General Government	-	-		
Public Works	-	-	-	-
Culture and Recreation	822,037	-	589,589	1,411,626
Capital Outlay	-	-	1,609,950	1,609,950
TOTAL EXPENDITURES	822,037	-	2,199,539	3,021,576
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	577,388	14,872	(415,280)	176,980
OTHER FINANCING SOURCES (USES)				
Transfers In	1,296,829	-	1,162,000	2,458,829
TOTAL OTHER FINANCING SOURCES (USES)	1,296,829	-	1,162,000	2,458,829
NET CHANGE IN FUND BALANCE	1,874,217	14,872	746,720	2,635,809
FUND BALANCE, Beginning, as Restated	6,665,722	153,816	7,377,971	14,197,509
FUND BALANCE, Ending	$ 8,539,939	$ 168,688	$ 8,124,691	$ 16,833,318

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Library Facilities Fee	$ 215,000	$ 793,779	$ 578,779
Contributions	3,500	-	(3,500)
Intergovernmental	488,959	486,738	(2,221)
Interest Income	5,000	116,540	111,540
Miscellaneous	7,500	2,368	(5,132)
TOTAL REVENUES	719,959	1,399,425	679,466
EXPENDITURES			
Culture and Recreation	1,472,000	822,037	649,963
TOTAL EXPENDITURES	1,472,000	822,037	649,963
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(752,041)	577,388	1,329,429
OTHER FINANCING SOURCES (USES)			
Transfers In	1,140,000	1,296,829	156,829
TOTAL OTHER FINANCING SOURCES	1,140,000	1,296,829	156,829
NET CHANGE IN FUND BALANCE	387,959	1,874,217	1,486,258
FUND BALANCE, Beginning	6,880,515	6,665,722	(214,793)
FUND BALANCE, Ending	$ 7,268,474	$ 8,539,939	$ 1,271,465

See the accompanying independent auditors' report.

CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022 ORIGINAL AND FINAL BUDGET	2022 ACTUAL	2022 VARIANCE Positive (Negative)
REVENUES			
Sale of Lots	$ 5,000	$ 12,898	$ 7,898
Interest Income	60	1,974	1,914
TOTAL REVENUES	5,060	14,872	9,812
EXPENDITURES			
Operations and Maintenance	-	-	-
TOTAL EXPENDITURES	-	-	-
NET CHANGE IN FUND BALANCE	5,060	14,872	9,812
FUND BALANCES, Beginning	160,314	153,816	(6,498)
FUND BALANCES, Ending	$ 165,374	$ 168,688	$ 3,314

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

PARKS AND OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes and Fees	$ 498,650	$ 1,058,775	$ 560,125
Charges for Services	-	76,572	76,572
Contributions	205,000	-	(205,000)
Intergovernmental	-	608,143	608,143
Interest Income	2,000	39,413	37,413
Miscellaneous	17,000	1,356	(15,644)
TOTAL REVENUES	722,650	1,784,259	1,061,609
EXPENDITURES			
Culture and Recreation	2,227,550	589,589	1,637,961
Capital Outlay	1,547,000	1,609,950	(62,950)
TOTAL EXPENDITURES	3,774,550	2,199,539	1,575,011
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,051,900)	(415,280)	2,636,620
OTHER FINANCING SOURCES (USES)			
Transfers In	1,884,650	1,162,000	(722,650)
TOTAL OTHER FINANCING SOURCES	1,884,650	1,162,000	(722,650)
NET CHANGE IN FUND BALANCE	(1,167,250)	746,720	1,913,970
FUND BALANCE, Beginning, as Restated	7,049,432	7,377,971	328,539
FUND BALANCE, Ending	$ 5,882,182	$ 8,124,691	$ 2,242,509

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Charges for Services	$ 5,749,950	$ 5,857,782	$ 107,832	$ 4,900,750
Contributions	-	35,457,230	35,457,230	21,554,392
Intergovernmental	-	-	-	-
Interest Income	6,900	216,577	209,677	15,127
Miscellaneous	125,000	254,371	129,371	217,810
Transfers In	40,000,000	-	(40,000,000)	-
TOTAL REVENUES	45,881,850	41,785,960	(4,095,890)	26,688,079
EXPENDITURES				
Administration	428,650	232,318	196,332	202,862
Operations	4,393,650	3,567,015	826,635	3,518,714
Capital Outlay	20,485,280	52,848,902	(32,363,622)	33,891,336
Depreciation Expense	425,000	518,024	(93,024)	434,789
Transfers Out	-	-	-	20,000
TOTAL EXPENDITURES	25,732,580	57,166,259	(31,433,679)	38,067,701
NET INCOME, Budget Basis	$ 20,149,270	(15,380,299)	$ (35,529,569)	(11,379,622)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		52,848,902		33,891,336
NET INCOME, GAAP Basis		37,468,603		22,511,714
NET POSITION, Beginning, as Previously Reported		80,946,634		48,634,920
Prior Period Adjustment		21,201,375		9,800,000
NET POSITION, Beginning, as restated		102,148,009		58,434,920
NET POSITION, Ending		$ 139,616,612		$ 80,946,634

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Charges for Services	$ 2,984,000	$ 3,015,211	$ 31,211	$ 2,683,290
Contributions	3,394,240	4,093,372	699,132	1,202,250
Intergovernmental	902,500	4,387,299	3,484,799	978,500
Interest Income	1,200	966,211	965,011	15,357
Miscellaneous	15,000	315,467	300,467	42,557
TOTAL REVENUES	7,296,940	12,777,560	5,480,620	4,921,954
EXPENDITURES				
Administration	244,050	211,255	32,795	191,452
Operations	1,991,800	1,223,031	768,769	1,612,265
Capital Outlay	49,189,000	38,454,026	10,734,974	11,159,466
Depreciation Expense	245,000	235,093	9,907	229,511
Debt Service	1,953,150	1,953,150	-	1,198,678
Transfers Out	-	-	-	20,000
TOTAL EXPENDITURES	53,623,000	42,076,555	11,546,445	14,411,372
NET INCOME, Budget Basis	$ (46,326,060)	(29,298,995)	$ 17,027,065	(9,489,418)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		38,454,026		11,159,466
TOTAL GAAP BASIS ADJUSTMENTS		38,454,026		11,159,466
NET INCOME, GAAP Basis		9,155,031		1,670,048
NET POSITION, Beginning		17,990,802		16,320,754
NET POSITION, Ending		$ 27,145,833		$ 17,990,802

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022 ORIGINAL AND FINAL BUDGET	2022 ACTUAL	2022 VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Drainage Fees	$ 585,900	$ 1,312,706	$ 726,806	$ 478,106
Contributions	-	-	-	420,490
Interest Income	1,000	27,805	26,805	2,389
Miscellaneous	-	-	-	3,557
TOTAL REVENUES	586,900	1,340,511	753,611	904,542
EXPENDITURES				
Administration	156,765	137,706	19,059	122,455
Operations	364,100	176,027	188,073	291,655
Capital Outlay	480,000	230,927	249,073	568,268
Depreciation Expense	-	9,557	(9,557)	6,636
Transfers Out	-	-	-	20,000
TOTAL EXPENDITURES	1,000,865	554,217	446,648	1,009,014
NET INCOME, Budget Basis	$ (413,965)	786,294	$ 1,200,259	(104,472)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		230,927		568,268
NET INCOME, GAAP Basis		1,017,221		463,796
NET POSITION, Beginning		4,484,455		4,020,659
NET POSITION, Ending		$ 5,501,676		$ 4,484,455

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

Form Approved
OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: Johnstown	Prepared By: Devon McCarty	

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	$ 9,068,584.43
4. Miscellaneous local receipts (from page 2)	$ -
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 9,068,584.43
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 692,931.61
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 9,761,516.04

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 3,269,266.31
2. Maintenance:	$ 4,398,528.43
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	$ 87,437.68
c. Other	
d. Total (a. through c.)	$ 87,437.68
4. General administration & miscellaneous	$ 6,196.91
5. Highway law enforcement and safety	
6. Total (1 through 5)	$ 7,761,429.33
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 7,761,429.33

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ 6,787,709.00	$ 9,761,516.04	$ 7,761,429.33	$ 8,787,795.71	$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	$ 2,109,330.63	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	$ 3,488,228.61	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 3,471,025.19	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 9,068,584.43	h. Other	
c. Total (a. + b.)	$ 9,068,584.43	i. Total (a. through h.)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 559,855.50	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	$ 66,410.11	d. Federal Transit Administration	
d. DOLA Grant	$ 66,666.00	e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	$ 133,076.11	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 692,931.61	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation			$ -
(4). System Enhancement And Operation		$ 3,269,266.31	$ 3,269,266.31
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 3,269,266.31	$ 3,269,266.31
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 3,269,266.31	$ 3,269,266.31
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536