Town of Johnstown, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

Town of Johnstown, Colorado

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Johnstown, Colorado (the Town), as of and for the year ended December 31, 2025, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of December 31, 2025, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and to meet our other 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
The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 one year after the date that the financial statements are issued.

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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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 in 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 on 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 judgment, 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 budgetary comparison information 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hinkle & Company, PC

Englewood, Colorado
June 4, 2026

Management’s Discussion and Analysis

This section of the Town of Johnstown’s annual financial report offers readers a discussion and analysis of the Town’s financial performance during the year ended December 31, 2025. 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 $626.5 million, an increase of $91.5 million, or 17 percent.

- As of December 31, 2025, net position for governmental activities was $224.4 million, down $7.5 million or 3.3 percent from December 31, 2024. Business type activities reported a net position of $402.1 million, up $98.9 million or 32.6 percent in the same time frame.

- General revenues account for $63 million or 45.8 percent of all revenues. The Town had $74.5 million in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.

- The Town had $31.7 million in expenses related to governmental activities, of which $16.7 million was offset by program specific charges for services and operating grants and contributions. Taxes of $44.9 million and other general revenues of $10.2 million as shown in the Statement of Activities offset the costs.

- The Town had water, sewer, and drainage charges for service income totaling $27.6 million. Grants and capital contributions revenues for these funds totaled $30.1 million. The cost of providing water, sewer, and drainage services totaled $14.4 million.

- The Town’s unassigned fund balance for the General Fund is $61.7 million, the committed fund balance is $500,000, and the restricted fund balance is $1,525,000. The committed fund balance is intended to fund the operation of the Recreation Center through a contractual Facility Management Agreement. 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 details.

- The Town’s governmental funds outstanding liabilities are normal accounts payable and accrued liabilities totaling $2.8 million, accrued compensated absences totaling $341,491, and developer escrows totaling $3.3 million at December 31, 2025.

- The Town’s business-type funds include outstanding liabilities of normal accounts payable and accrued liabilities totaling $8.9 million, accrued interest totaling $415,428, deposits and payables to other funds totaling $108,927, and accrued compensated absences totaling $72,857 at December 31, 2025. Liabilities also include the current and long-term portions of bond issuance debt totaling $2.5 million and $119.5 million, respectively, at December 31, 2025.

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 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g., uncollected taxes and earned but unused personal time).

The government-wide financial statements reflect three distinct activities:

> **Governmental Activities** - These activities are primarily supported by taxes and intergovernmental revenues. The Governmental Activities of the Town of Johnstown include general government, public safety (police), public works, community development, cemetery, and parks and recreation.
>
> **Business-Type Activities** - These activities are supported by user fees and service charges which are intended to fully recover all costs. The business-type activities of the Town of Johnstown include Water, Wastewater, and Drainage. Governmental activities and business-type activities combined comprise the primary government.
>
> **Component Units** - The Town currently does not have any organizations that are legally separate and are reported separately from the primary government.

Governmental activities and business-type activities combine to comprise the primary government. The government wide financial statements begin on page 4 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 specific 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 6 of this report.

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

Proprietary fund statements begin on page 10 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 13 to 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 37 to 39 and 42 to 47 of this report.

Financial Analysis of the Town as a Whole

As noted above, net position may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2025, the Town's combined assets exceeded liabilities and deferred inflows of resources by $626,504,413. As a note to the reader: the 2024 net position of Governmental Activities and of Business-Type Activities are inclusive of prior period restatements of $17,300 and $1,576,862, respectively.

TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF NET POSITION
2025/2024

	Governmental Activities		Business-Type Activities		Total	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**
Assets						
Current Assets	174,995,952	158,989,101	152,900,948	173,604,815	327,896,900	332,593,916
Capital Assets - Net	78,678,066	86,051,241	288,621,966	359,950,365	367,300,032	446,001,606
Total Assets	253,674,018	245,040,342	441,522,914	533,555,180	695,196,932	778,595,522
Deferred Outflow of Resources						
Related to Pensions	476,792	394,625	-	-	476,792	394,625
Liabilities						
Current Liabilities	7,020,729	6,125,471	15,313,296	9,441,060	22,334,025	15,566,531
Long-Term Liabilities	289,022	341,491	123,028,938	121,963,198	123,317,960	122,304,689
Total Liabilities	7,309,751	6,466,962	138,342,234	131,404,258	145,651,985	137,871,220
Deferred Inflows of Resources						
Related to Pensions	321,774	294,031	-	-	321,774	294,031
Deferred Revenues	-	-	-	-	-	-
Deferred Property Tax Revenue	14,681,108	14,320,483	-	-	14,681,108	14,320,483
Prior Period Adjustment	-	-	-	-	-	-
Net Position						
Net Investment in Capital Assets	78,678,066	86,051,241	163,345,243	238,060,024	242,023,309	324,111,265
Restricted	1,525,000	1,525,000	-	-	1,525,000	1,525,000
Unrestricted	151,617,811	136,777,250	139,835,437	164,090,898	291,453,248	300,868,148
Total Net Position at December 31	231,838,177	224,353,491	303,180,680	402,150,922	535,018,857	626,504,413

A portion of the Town of Johnstown's net position (71.2 percent) 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 (.24 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position ($300.9 million) 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.

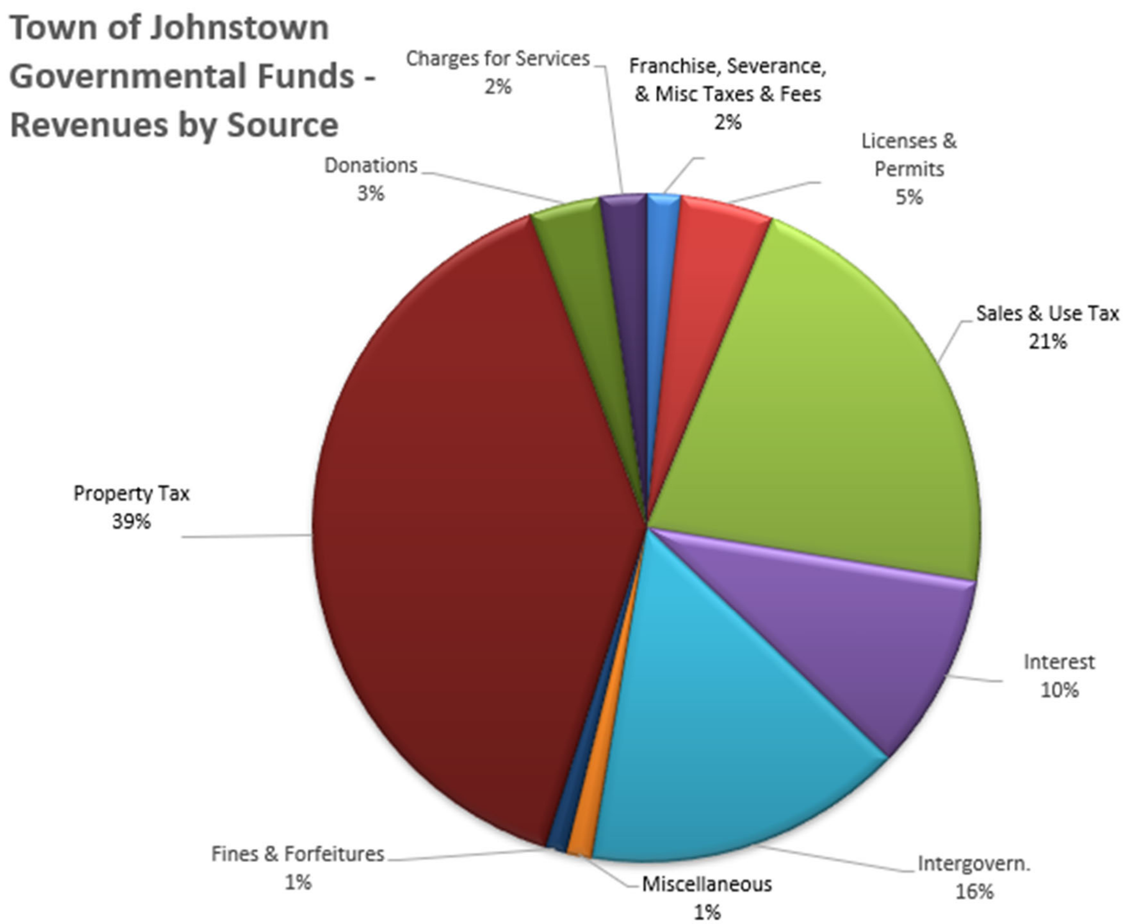
TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2025/2024

Revenues	**Governmental Activities**		**Business-Type Activities**		**Total**	
Program Revenues	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Charges for Services	5,615,544	5,617,134	19,383,453	27,640,578	24,998,997	33,257,712.00
Operating Grants and Contributions	8,427,375	10,325,823	568,456	445,215	8,995,831	10,771,038.00
Capital Grants and Contributions	901,722	794,430	25,912,951	29,675,391	26,814,673	30,469,821.00
General Revenues						
Property Taxes	30,083,454	28,330,834	-	-	30,083,454	28,330,834.00
Sales and Use Taxes	18,902,829	15,381,627	-	-	18,902,829	15,381,627.00
Franchise Taxes	839,587	898,214	-	-	839,587	898,214.00
Other Taxes	581,089	298,656	-	-	581,089	298,656.00
Interest	6,144,282	6,847,761	5,786,571	6,328,073	11,930,853	13,175,834.00
Other Revenues	1,385,721	3,363,366	404,542	1,588,986	1,790,263	4,952,352.00
Loss on Disposal of Assets	-	-	-	-	-	-
Total Revenues	72,881,603	71,857,845	52,055,973	65,678,243	124,937,576	137,536,088.00
Expenses						
General Government	7,556,354	13,136,827	-	-	7,556,354	13,136,827.00
Public Safety	5,416,815	7,997,005	-	-	5,416,815	7,997,005.00
Public Works	8,585,779	7,952,338	-	-	8,585,779	7,952,338.00
Health and Welfare	-	-	-	-	-	-
Culture and Recreation	3,053,429	2,563,375	-	-	3,053,429	2,563,375.00
Water	-	-	6,145,653	5,695,789	6,145,653	5,695,789.00
Sewer	-	-	3,210,345	4,331,354	3,210,345	4,331,354.00
Drainage	-	-	399,423	312,792	399,423	312,792.00
Interest on Long-Term Debt	-	-	2,326,592	4,061,052	2,326,592	4,061,052.00
Total Expenses	24,612,377	31,649,545	12,082,013	14,400,987	36,694,390	46,050,532.00
Excess (deficiency) before transfers						
Transfers	2,639,808	(47,692,986)	(2,639,808)	47,692,986	-	-
Prior Period Adjustment	-	-	-	-	-	-
Change in Net Position	50,909,034	(7,484,686)	37,334,152	98,970,242	88,243,186	91,485,556.00
NET POSITION, Beginning	180,929,143	231,838,177	265,846,528	303,180,680	446,775,671	535,018,857
NET POSITION, Ending	231,838,177	224,353,491	303,180,680	402,150,922	535,018,857	626,504,413

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.

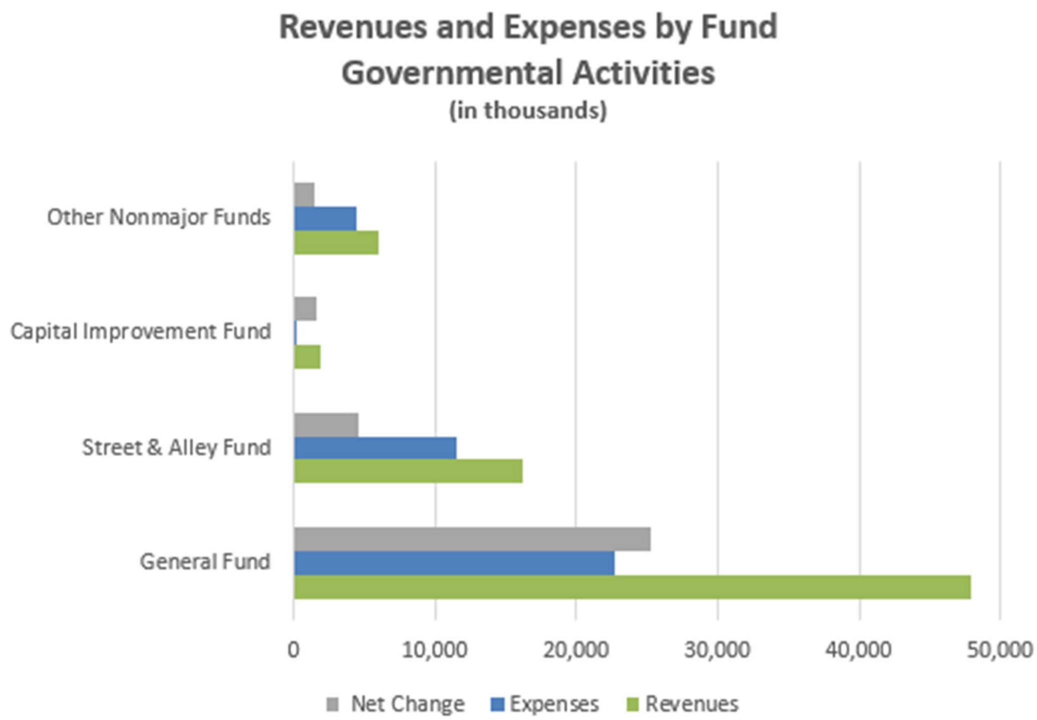
As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $138.5 million, a decrease of $14.8 million. Overall revenue decreased $1.0 million or 1.4 percent. Areas of substantial change included a decrease in property taxes of $3.4 million, a decrease in use taxes of $1.3 million, a decrease in other taxes of $289,026 offset by an increase in interest income of $703,479. The General Fund revenue decreases are primarily the result of an economy that continued to grow in 2025, while at a slightly lesser rate than in 2024.



Expenditures for the governmental funds for the current year increased by $7.4 million or 30.1 percent. Expenses for general government activities increased $5.9 million, while expenditures for public works decreased $663,441. In 2025, the General Fund recognized capital outlay expenditures of $6.2 million largely for completion of the Development Services building, and the Street and Alley Fund recognized capital outlay expenditures of $9.7 million in road and paving projects.

The statement of net position reports a combined net position for governmental activities of $224.4 million, a decrease of $7.8 million. The decrease is primarily attributed to a decrease in cash resulting from a decrease in property and use tax revenues.

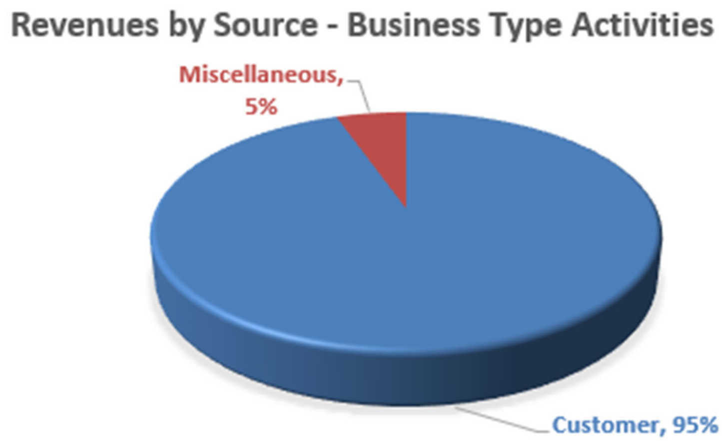
The graph below provides the program revenue and expenses (excluding transfers) for each governmental activity as well as providing net change.



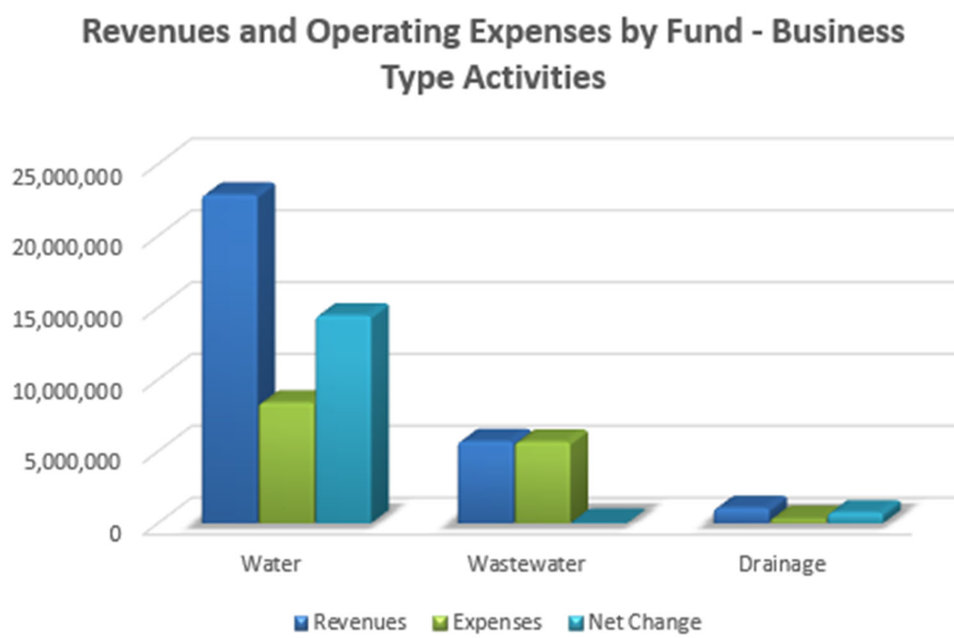
Business-Type Activities. Net position of business-type activities increased by $99 million, primarily due to an increase in cash and capital assets in all business-type funds. The Water Fund increased $85.8 million, the Wastewater Fund increased $12 million, and the Drainage Fund increased $1.1 million. This net position is dedicated solely to finance the continuing operations of the water, wastewater, and drainage operations.

Revenues for the Town's business-type activities, were $65.7 million, a 26.2 percent increase compared to 2024. The increase in revenues is largely attributed to increases in charges for services (increased $8.3 million) and capital grants and contributions (increased $3.8 million). Operating expenses increased $2.3 million across all business-type funds. Water operation costs decreased $449,864 in 2025 primarily due to decreases in materials costs and the costs associated with the GAC system. Wastewater operations increased $1.1 million due to increased utility and chemical costs as well as increased depreciation costs. Drainage Fund operating expenses decreased $86,831 primarily due to decreases in materials costs.

As displayed in 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 2025, total fund balance decreased by $26 million. The decrease was primarily due to transfers out and investment earnings. The unassigned fund balance of the General Fund at the end of 2025 totaled $61.7 million while the total fund balance totaled $64 million. 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 2025, unassigned fund balance represents approximately 2.72 times the total General Fund expenditures, while total fund balance represents 2.82 times that same amount. While the General Fund has a healthy fund balance, the Town has several large capital projects that are currently in the planning and/or design phase, which will decrease the fund balance in 2026. Preliminary estimates of the design and construction projects are estimated to move the unassigned fund balance from 2.82 times to 1.41 times the total General Fund expenditures by 2026.

The Town budgeted for General Fund expenditures of $28 million for the year ended December 31, 2025 and actual expenditures were $22.7 million. Expenditures were $5.4 million lower than budgeted largely as a result of lower operating costs for general government, public safety, and public works services. Revenues, excluding transfers, for 2025 were budgeted at $35.7 million and actual revenues were $47.9 million. Revenues from property taxes, sales taxes, use taxes, permitting for new construction, and grants were slightly lower than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2025, the Town had invested $446 million (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 $78.7 million (or 17.6 percent) from 2024. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation was $16.6 million in the governmental activities and $17.2 million in the business-type activities. There have been no significant changes in the condition level of the Town's capital assets.

Long-Term Debt

The Town's governmental funds have accrued compensated absences totaling $341,491 at December 31, 2025.

The Town's business-type funds have long term debt totaling $121.9 million consisting of Series 2021 Sewer Revenue Bonds and Series 2024 Water Revenue Bonds, with premiums totaling $44 million and $63.2 million, respectively, and accrued compensated absences of $72,857 at December 31, 2025.

Additional information on the Town's long-term debt can be found in Note 5 of the financial statements.

Fiduciary Fund Activities

Cemetery Perpetual Fund

The fund received $18,248 in lot sales and investment revenues and recognized no expenditures. The fund balance at December 31, 2025, is $226,020.

Economic Factors and Next Year's Budgets and Rates

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

The following factors were considered when adopting the budget for 2026:

- The Town has forecast most revenues as relatively steady from 2025 through 2026. Revenues from property taxes are expected to remain relatively the same in 2026 as in 2025. Revenues from sales taxes are also projected to remain relatively consistent as a result of consistent residential and commercial growth. Building permit revenues are expected to slightly decrease as developers in the area continue to manage to the economic environment on the Northern Colorado Front Range.

- The Town has conservatively forecast new growth and the mill levy for property tax revenues has been set at 23.947 for 2026, which includes 1.8 mills levied on behalf of the Library Fund and an additional 1.5 mills which the Town has contractually committed to the Library Fund.

- Expenditures in the General Fund are expected to be $64.8 million, which includes $22 million in transfers out to Special Revenue Funds and Proprietary Funds.

- Capital projects planned for 2026 include completion of the Development Services building replacement police vehicles, Senior/Community Center design and start of construction.

- The Town's business-type activities are expected to have revenues that increase in 2026. A water and sewer rate study was completed by a third-party contractor in 2023, which facilitated the approval of new rates by the Town Council, with annual increases, to begin in 2024. This will provide assurance for stable funding for both operations and capital projects.

Contacting the Town's Financial Management

This financial report is designed to provide the Town of Johnstown'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, please contact:

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

Basic Financial Statements

Town of Johnstown, Colorado
Statement of Net Position
December 31, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Totals 2025	Totals 2024
Assets				
Cash and Cash Equivalents	$ 134,128,288	$ 172,151,600	$ 306,279,888	$ 303,919,611
Restricted Cash and Cash Equivalents	2,296,006	-	2,296,006	2,296,006
Accounts Receivable*, Net*	7,553,577	1,598,150	9,151,727	6,596,507
Note Receivable	284,806	-	284,806	296,104
Property Tax Receivable	14,320,483	-	14,320,483	14,681,108
Due from Other Funds	160,804	(162,580)	(1,776)	-
Prepaid Expenses	245,137	17,645	262,782	107,564
Net Pension Asset	-	-	-	-
Capital Assets,				
Not Being Depreciated	25,365,235	259,164,762	284,529,997	265,889,911
Being Depreciated, Net	60,686,006	100,785,603	161,471,609	101,410,121
Total Assets	245,040,342	533,555,180	778,595,522	695,196,932
Deferred Outflow of Resources				
Pensions	394,625	-	394,625	476,792
Liabilities				
Accounts Payable	2,124,263	8,827,791	10,952,054	15,761,328
Accrued Salaries and Benefits	649,206	88,914	738,120	398,180
Accrued Interest Payable	-	415,428	415,428	428,804
Developer Escrow	3,352,002	-	3,352,002	3,286,587
Deposits	-	6,272	6,272	2,104
Customer Deposits	-	102,655	102,655	102,022
Net Pension Liability	-	-	-	-
Noncurrent Liabilities				
Due Within One Year	-	2,465,000	2,465,000	2,355,000
Due in More Than One Year	341,491	119,498,198	119,839,689	123,317,960
Total Liabilities	6,466,962	131,404,258	137,871,220	145,651,985
Deferred Inflows of Resources				
Deferred Property Taxes	14,320,483	-	14,320,483	14,681,108
Pensions	294,031	-	294,031	321,774
Total Deferred Inflows of Resources	14,614,514	-	14,614,514	15,002,882
Net Position				
Net Investment in Capital Assets	86,051,241	238,060,024	324,111,265	242,023,309
Restricted for Emergencies	1,525,000	-	1,525,000	1,525,000
Unrestricted	136,777,250	164,090,898	300,868,148	291,470,548
Total Net Position	$ 224,353,491	$ 402,150,922	$ 626,504,413	$ 535,018,857

See Notes to the Financial Statements.

Town of Johnstown, Colorado
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position Primary Government			
			Operating	Capital			Totals	
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	2025	2024
Primary Government								
Governmental Activities								
General Government	$ 13,136,827	$ 3,334,718	$ 2,480,834	$ 457,537	$ (6,863,738)	$ -	$ (6,863,738)	$ (1,493,387)
Public Safety	7,997,005	361,631	788,732	-	(6,846,642)	-	(6,846,642)	(4,395,056)
Public Works	7,952,338	1,348,513	3,079,472	220,505	(3,303,848)	-	(3,303,848)	(4,752,534)
Culture and Recreation	2,563,375	572,272	3,976,785	116,388	2,102,070	-	2,102,070	1,235,808
Total Governmental Activities	31,649,545	5,617,134	10,325,823	794,430	(14,912,158)	-	(14,912,158)	(9,405,169)
Business-Type Activities								
Water	8,406,628	21,364,998	-	18,788,071	-	31,746,441	31,746,441	23,690,804
Wastewater	5,681,567	5,648,358	-	10,669,317	-	10,636,108	10,636,108	9,180,466
Drainage	312,792	627,222	445,215	218,003	-	977,648	977,648	911,577
Total Business-Type Activities	14,400,987	27,640,578	445,215	29,675,391	-	43,360,197	43,360,197	33,782,847
Total Primary Government	$ 46,050,532	$ 33,257,712	$ 10,771,038	$ 30,469,821	(14,912,158)	43,360,197	28,448,039	24,377,678
General Revenues								
Taxes								
Sales and Use Taxes					15,381,627	-	15,381,627	18,902,829
Property Taxes					28,330,834	-	28,330,834	30,083,454
Franchise Taxes					898,214	-	898,214	839,587
Other Taxes					298,656	-	298,656	587,682
Investment Income					6,847,761	6,328,073	13,175,834	11,930,853
Contributions not restricted					4,451	-	4,451	385,687
Miscellaneous					3,358,915	1,588,986	4,947,901	1,135,416
Transfers					(47,692,986)	47,692,986	-	-
Total General Revenues and Transfers					7,427,472	55,610,045	63,037,517	63,865,508
Change in Net Position					(7,484,686)	98,970,242	91,485,556	88,243,186
Net Position, *Beginning of Year*					231,838,177	303,180,680	535,018,857	446,775,671
Net Position, *End of Year*					$ 224,353,491	$ 402,150,922	$ 626,504,413	$ 535,018,857

Town of Johnstown, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Street and Alley	Capital Improvement	Nonmajor Funds	Totals 2025	Totals 2024
Assets						
Cash and Cash Equivalents	$ 60,921,294	$ 30,179,061	$ 15,060,207	$ 27,818,071	$ 133,978,633	$ 151,941,510
Restricted Cash and Cash Equivalents	2,296,006	-	-	149,655	2,445,661	2,321,546
Accounts Receivable, *Net*	3,876,819	2,750,639	564,491	361,628	7,553,577	5,500,524
Due from Other Funds	153,860	-	3,789	3,155	160,804	160,804
Notes Receivable	284,806	-	-	-	284,806	296,104
Property Tax Receivable	14,320,483	-	-	-	14,320,483	14,681,108
Prepaid Expenses	241,488	2,433	-	1,216	245,137	94,356
Total Assets	$ 82,094,756	$ 32,932,133	$ 15,628,487	$ 28,333,725	$ 158,989,101	$ 174,995,952
Liabilities						
Accounts Payable	$ 1,144,205	$ 766,793	$ 90,870	$ 122,395	$ 2,124,263	$ 3,377,248
Accrued Liabilities	261,421	3,121	30,654	5,065	300,261	140,379
Accrued Salaries	287,172	24,109	-	37,664	348,945	216,515
Developer Escrows	2,101,839	554,955	695,208	-	3,352,002	3,286,587
Total Liabilities	3,794,637	1,348,978	816,732	165,124	6,125,471	7,020,729
Deferred Inflows of Resources						
Property Taxes	14,320,483	-	-	-	14,320,483	14,681,108
Fund Balance						
Unspendable	241,488	2,433	-	1,216	245,137	94,356
Restricted for:						
Emergencies	1,525,000	-	-	-	1,525,000	1,525,000
Culture and Recreation	-	-	-	-	-	13,997,553
Parks & Recreation	-	-	-	-	-	8,976,412
Capital Improvements	-	31,580,722	14,811,755	-	46,392,477	40,079,714
Cemetery Maintenance	-	-	-	226,020	226,020	207,772
Committed:						
Recreation Center	500,000	-	-	-	500,000	500,000
Unrestricted, Unassigned	61,713,148	-	-	27,941,365	89,654,513	87,913,308
Total Fund Balance	63,979,636	31,583,155	14,811,755	28,168,601	138,543,147	153,294,115
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 82,094,756	$ 32,932,133	$ 15,628,487	$ 28,333,725	$ 158,989,101	$ 174,995,952

Town of Johnstown, Colorado

Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
December 31, 2025

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

Total Fund Balance of Governmental Funds	$ 138,543,147
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	86,051,241
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Pension Liability (Asset)	-
Deferred Outflows - Pensions	394,625
Deferred Inflows - Pensions	(294,031)
Accrued Compensated Absences	(341,491)
Total Net Position of Governmental Activities	$ 224,353,491

Town of Johnstown, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General	Street and Alley	Capital Improvements	Nonmajor Funds	Totals 2025	Totals 2024
Revenues						
Taxes	$ 35,795,175	$ 7,877,706	$ 1,236,450	$ -	$ 44,909,331	$ 50,413,552
Licenses and Permits	2,597,317	160,416	-	490,102	3,247,835	3,487,155
Intergovernmental	3,269,566	3,299,977	-	4,550,710	11,120,253	9,329,097
Charges for Services	234,450	1,285,797	-	83,320	1,603,567	1,448,432
Fines and Forfeitures	765,732	-	-	-	765,732	679,957
Investment Income	4,315,371	1,137,881	600,911	793,598	6,847,761	6,144,282
Donations	1,896	2,452,972	-	2,555	2,457,423	385,807
Miscellaneous	877,593	-	-	28,350	905,943	1,006,368
Total Revenues	47,857,100	16,214,749	1,837,361	5,948,635	71,857,845	72,894,650
Expenditures						
Current						
General Government	6,842,117	-	-	-	6,842,117	5,880,174
Public Safety	5,828,771	-	-	-	5,828,771	5,055,473
Public Works	3,283,187	1,831,855	7,345	-	5,122,387	3,979,351
Culture and Recreation	495,489	-	-	2,067,886	2,563,375	2,788,111
Capital Outlay	6,200,430	9,760,101	155,254	2,443,392	18,559,177	18,118,065
Total Expenditures	22,649,994	11,591,956	162,599	4,511,278	38,915,827	35,821,174
Excess Revenues Over (Under) Expenditures	25,207,106	4,622,793	1,674,762	1,437,357	32,942,018	37,073,476
Other Financing Sources (Uses)						
Transfers (In)	3,212,252	-	-	3,548,481	6,760,733	5,874,958
Transfers (Out)	(54,453,719)	-	-	-	(54,453,719)	(3,235,150)
Other Financing Sources (Uses)	(51,241,467)	-	-	3,548,481	(47,692,986)	2,639,808
Net Change in Fund Balance	(26,034,361)	4,622,793	1,674,762	4,985,838	(14,750,968)	39,713,284
Net Position, *Beginning of Year As Previously Stated*	90,013,997	26,960,362	13,136,993	23,182,763	153,294,115	113,563,531
Restatement	-	-	-	-	-	17,300
Fund Balance, *Beginning of Year*	90,013,997	26,960,362	13,136,993	23,182,763	153,294,115	113,580,831
Fund Balance, *End of Year*	$ 63,979,636	$ 31,583,155	$ 14,811,755	$ 28,168,601	$ 138,543,147	$ 153,294,115

Town of Johnstown, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

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

Net Change in Fund Balance of Governmental Funds	$ (14,750,968)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlays	13,007,538
Depreciation Expense	(2,484,639)
Disposals	(3,149,724)
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Change in Deferred Outflows - Pensions	(82,167)
Change in Deferred Inflows - Pensions	27,744
Change in Accrued Compensated Absences	(52,470)
Change in Net Position of Governmental Activities	$ (7,484,686)

Town of Johnstown, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water Fund	Wastewater Fund	Drainage Fund	Totals 2025	Totals 2024
Assets					
Current Assets					
Cash and Cash Equivalents	$ 128,106,691	$ 39,274,487	$ 4,770,422	$ 172,151,600	$ 151,952,561
Accounts Receivable, Net	659,502	499,208	437,666	1,596,376	1,095,985
Prepaid Expenses	5,106	10,106	2,433	17,645	13,208
Total Current Assets	128,771,299	39,783,801	5,210,521	173,765,621	153,061,754
Noncurrent Assets					
Capital Assets, *Not Being Depreciated*	205,419,177	52,002,995	1,742,590	259,164,762	238,100,771
Capital Assets, *Net of Accumulated Depreciation*	28,335,340	71,229,493	1,220,770	100,785,603	50,521,195
Total Noncurrent Assets	233,754,517	123,232,488	2,963,360	359,950,365	288,621,966
Total Assets	362,525,816	163,016,289	8,173,881	533,715,986	441,683,720
Liabilities					
Current Liabilities					
Accounts Payable	4,350,213	4,277,253	200,325	8,827,791	12,357,335
Accrued Liabilities	57,758	27,333	3,823	88,914	68,031
Accrued Interest	263,354	152,074	-	415,428	428,804
Due to Other Funds	23,125	108,674	29,007	160,806	160,806
Deposits	94,022	14,905	-	108,927	104,126
Current Portion of Long-Term Debt	1,525,000	940,000	-	2,465,000	2,355,000
Total Current Liabilities	6,313,472	5,520,239	233,155	12,066,866	15,474,102
Noncurrent Liabilities					
Accrued Compensated Absences	38,068	15,409	19,380	72,857	107,215
Bonds Payable	68,620,572	50,804,769	-	119,425,341	122,918,815
Leases Payable	-	-	-	-	2,908
Total Noncurrent Liabilities	68,658,640	50,820,178	19,380	119,498,198	123,028,938
Total Liabilities	74,972,112	56,340,417	252,535	131,565,064	138,503,040
Net Position					
Net Investment in Capital Assets	163,608,945	71,487,719	2,963,360	238,060,024	163,345,243
Unrestricted	123,944,759	35,188,153	4,957,986	164,090,898	139,835,437
Total Net Position	$ 287,553,704	$ 106,675,872	$ 7,921,346	$ 402,150,922	$ 303,180,680

Town of Johnstown, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Water Fund	Wastewater Fund	Drainage Fund	Totals 2025	Totals 2024
Operating Revenues					
Charges for Services	$ 21,364,998	$ 5,648,358	$ 627,222	$ 27,640,578	$ 19,383,453
Miscellaneous	1,518,021	70,965	-	1,588,986	404,542
Total Operating Revenues	22,883,019	5,719,323	627,222	29,229,564	19,787,995
Operating Expenses					
Administrative and General	231,437	213,860	86,807	532,104	563,431
Operations and Maintenance	3,002,509	1,629,312	179,059	4,810,880	5,278,220
Collection and Distribution	1,317,312	611,967	-	1,929,279	1,701,884
Depreciation	1,144,531	1,876,215	46,926	3,067,672	1,599,721
Total Operating Expenses	5,695,789	4,331,354	312,792	10,339,935	9,143,256
Net Operating Income	17,187,230	1,387,969	314,430	18,889,629	10,644,739
Non-Operating Revenues (Expenses)					
Intergovernmental Revenues	-	3,665,551	218,003	3,883,554	3,451,407
Impact Fees	-	-	445,215	445,215	568,456
Interest Income	3,671,110	2,492,457	164,506	6,328,073	5,786,571
Tap Fees	4,636,451	7,003,766	-	11,640,217	10,483,828
Cost of Debt Issuance	-	-	-	-	(612,165)
Interest Expense	(2,710,839)	(1,350,213)	-	(4,061,052)	(2,326,592)
Total Nonoperating Revenues (Expenses)	5,596,722	11,811,561	827,724	18,236,007	17,351,505
Net Income (Loss) Before Contributed Capital	22,783,952	13,199,530	1,142,154	37,125,636	27,996,244
Contributed Capital and Transfers					
Developer Contributions	14,151,620	-	-	14,151,620	11,977,716
Transfers Out	48,876,936	(1,173,950)	(10,000)	47,692,986	(2,639,808)
Total Capital Contributions and Transfers	63,028,556	(1,173,950)	(10,000)	61,844,606	9,337,908
Change in Net Position	85,812,508	12,025,580	1,132,154	98,970,242	37,334,152
Net Position, *Beginning of Year*					
As Previously Stated	201,741,196	94,650,292	6,789,192	303,180,680	264,269,666
Restatement	-	-	-	-	1,576,862
Net Position, *Beginning of Year*					
As Restated	201,741,196	94,650,292	6,789,192	303,180,680	265,846,528
Net Position, *End of Year*	$ 287,553,704	$ 106,675,872	$ 7,921,346	$ 402,150,922	$ 303,180,680

Town of Johnstown, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water Fund	Sewer Fund	Nonmajor Funds	Totals 2025	Totals 2024
Cash Flows From Operating Activities					
Cash Received from Customers	$ 21,298,630	$ 5,563,442	$ 278,115	$ 27,140,187	$ 18,946,972
Cash Received from Others	1,518,021	70,965	-	1,588,986	404,542
Cash Paid to Suppliers	(6,626,983)	(2,215,933)	(6,330)	(8,849,246)	(1,221,254)
Cash Paid to Employees	(1,052,339)	(773,909)	(144,225)	(1,970,473)	(1,835,046)
Net Cash Provided by Operating Activities	15,137,329	2,644,565	127,560	17,909,454	16,295,214
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(52,612,808)	(20,700,053)	(1,083,210)	(74,396,071)	(56,846,691)
Capital Contributions and Grants	14,151,620	3,665,551	218,003	18,035,174	15,429,123
Proceeds from New Debt	-	-	-	-	72,000,000
Tap Fees Received	4,636,451	7,003,766	-	11,640,217	10,483,828
Impact Fees Received	-	-	445,215	445,215	568,456
Debt Principal Payments	(1,456,454)	(901,454)	-	(2,357,908)	(1,220,000)
Debt Interest Payments	(3,233,002)	(1,869,900)	-	(5,102,902)	(2,743,527)
Deposits Received from Customers	4,801	-	-	4,801	12,539
Payments to/from Other Funds	48,876,936	(1,173,950)	(10,000)	47,692,986	(2,479,002)
Net Cash Provided by Noncapital Financing Activities	10,367,544	(13,976,040)	(429,992)	(4,038,488)	35,204,726
Cash Flows From Investing Activities					
Interest Received	3,671,110	2,492,457	164,506	6,328,073	5,786,571
Net Cash Provided by Investing Activities	3,671,110	2,492,457	164,506	6,328,073	5,786,571
Net Change in Cash and Cash Equivalents	29,175,983	(8,839,018)	(137,926)	20,199,039	57,286,511
Cash and Cash Equivalents, *Beginning of Year*	98,930,708	48,113,505	4,908,348	151,952,561	94,666,050
Cash and Cash Equivalents, *End of Year*	$ 128,106,691	$ 39,274,487	$ 4,770,422	$ 172,151,600	$ 151,952,561
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:					
Net Operating Income	$ 17,187,230	$ 1,387,969	$ 314,430	$ 18,889,629	$ 10,644,739
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	1,144,531	1,876,215	46,926	3,067,672	1,599,721
Changes in Assets and Liabilities Related to Operations					
Accounts Receivable	(66,368)	(84,916)	(349,107)	(500,391)	(436,481)
Prepaid Expenses	(2,028)	(2,028)	(381)	(4,437)	(5,315)
Accounts Payable	(3,143,051)	(504,755)	118,262	(3,529,544)	4,443,422
Accrued Expenses	25,486	(2,033)	(2,570)	20,883	11,893
Accrued Compensated Absences	(8,471)	(25,887)	-	(34,358)	37,235
Net Cash Provided by Operating Activities	$ 15,137,329	$ 2,644,565	$ 127,560	$ 17,909,454	$ 16,295,214

Note 1: Summary of Significant Accounting Policies

The Town of Johnstown, Colorado (the Town) is incorporated as a home-rule Town under the laws of the State of Colorado with a Council-Manager form of government. 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 financial statements of the Town of Johnstown, Colorado have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

In accordance with governmental accounting standards, the Town 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 upon 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 net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

Note 1: Summary of Significant Accounting Policies (Continued)

<u>Government-wide and Fund Financial Statements</u> *(Continued)*

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. 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.

<u>Measurement Focus, Basis of Accounting, and Financial Statement Presentation</u>

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.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

The Town also reports the following major proprietary funds:

Water Fund - This fund accounts for the financial activities associated with the provision of water services.

Wastewater Fund - This fund accounts for the financial activities associated with the sanitation services.

Drainage Fund - This fund accounts for the financial activities associated with the Town's drainage system.

The Town reports the following fund types:

Government-wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and *the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 120 days after year-end, with the exception of sales taxes, which must be within 90 days. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

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 fair market 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:

Building and Improvements	10 - 50 years
Infrastructure	10 - 50 years
Machinery and Equipment	3 - 30 years

Compensated Absences

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. Employees of the Town are allowed to accumulate unused paid time off up to a maximum 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 up to a maximum of 80 hours for the first year. The maximum increases an additional 8 hours after each anniversary.

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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations *(Continued)*

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 of resources. This separate financial statement element, deferred outflows 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 of resources. This separate financial statement element, deferred inflows 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.

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 are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification *(Continued)*

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's committed resources are presented in the governmental fund balance sheet as of December 31, 2025.

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.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third-party limitations on their use.

Subsequent Events

The Town has evaluated subsequent events through June 4, 2026, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- In October, the Town staff submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The 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.
- Management 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.
- All appropriations lapse at year end.

Note 3: Cash and Investments

A summary of deposits and investments as of December 31, 2025 follows:

Petty Cash	$ 1,296
Cash Deposits	4,799,336
Investments	303,775,262
Total	$ 308,575,894

The cash and investments are classified in the statement of position as follows:

Cash and Investments	$ 306,279,888
Restricted Cash and Investments	2,296,006
Total	$ 308,575,894

Note 3: Cash and Investments (Continued)

Deposits

The Town's bank accounts and certificates of deposit as of December 31, 2025 were entirely covered by federal depository insurance or collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act (the PDPA). The PDPA requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2025, $9,563,706 was uninsured and collateralized with securities held by the financial institution and covered by eligible collateral as determined by the PDPA.

Investments

As of December 31, 2025, the Town had the following investments and maturities:

	Fair Value	0 - 1 Years	1 - 5 Years
U.S. Government Securities	$ 13,549,844	$ 7,111,911	$ 6,437,933
U.S. Government Agencies	4,447,962	3,293,994	1,153,968
Money Market Funds	15,069,772	15,069,772	-
Colorado Liquid Government			
Asset Trust (CSAFE)	158,387,090	158,387,090	-
Asset Trust (COLOTRUST PLUS+)	112,320,594	112,320,594	-
	$ 303,775,262	$ 296,183,361	$ 7,591,901

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Certificates of deposits

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in one issuer, except for corporate securities.

Note 3: Cash and Investments (Continued)

Investments *(Continued)*

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment. State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Ratings on the Town’s investments consisted of the following as of December 31, 2025:

	S&P Rating	Moody Rating
U.S. Treasury Notes	NR	NR to Aaa
Other U.S. Instrumentalities	NR to AA+	NR to Aaa
COLOTRUST	AAAm	N/A
CSAFE	AAAm	N/A

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Fair Value Measurements - The Town categorizes its fair value measurement 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 unobservable inputs.

The Town's investment balances at fair value hierarchy as of December 31, 2025 are as follows:

	Level 1	Level 2	Total
Money Market Funds	$ -	$ 15,069,772	$ 15,069,772
U.S. Treasury Notes	-	13,549,844	13,549,844
Other U.S. Instrumentalities	-	4,447,962	4,447,962
Total	$ -	$ 33,067,578	33,067,578
Investments at Net Asset Value - Colotrust			112,320,594
Investments at Amortized Cost - CSAFE			158,387,090
Total Investments			$ 303,775,262

Debt securities classified in Level 1 and 2 are valued using the following approaches:

- U. S. Treasury notes, FHLMC, FNMA, other U.S. instrumentalities: quoted prices for identical securities in markets that are not active;

Note 3: Cash and Investments (Continued)

Investments *(Continued)*

- Corporate securities: quoted prices for identical securities in active markets;
- Municipal bond: quoted prices for similar securities in active markets;
- Negotiable Certificates of Deposits: matrix pricing based on securities' relationship to benchmark quoted prices.

Local Government Investment Pool - At December 31, 2025, the Town had $112,320,594 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

In addition, the Town had $158,387,090 invested in the Colorado Surplus Asset Fund Trust (CSAFE) at December 31, 2025. The pool is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. CSAFE is a highly liquid fund operating similarly to a money market-like fund and each share is equal in value to $1.00. CSAFE measures all of its investment at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. CSAFE invests primarily in United States Treasuries, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, AAAm rated money market funds, highly rated corporate bonds and Colorado Depositories. The weighted average maturity of the portfolio shall not exceed 60 days and the weighted average life of the portfolio shall not exceed 120 days. CSAFE is rated AAAm by Standard & Poor's.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Town Council. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Town of Johnstown, Colorado
Notes to Financial Statements
December 31, 2025

Note 4: Capital Assets

Capital assets activity for the year ended December 31, 2025 is summarized below:

	Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Governmental Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 5,435,542	$ 24,398	$ -	$ -	$ 5,459,940
Water Shares	962,500	-	-	-	962,500
Construction in Progress	21,391,098	11,104,176	(13,096,671)	(455,808)	18,942,795
Total Capital Assets, *Not Being Depreciated*	27,789,140	11,128,574	(13,096,671)	(455,808)	25,365,235
Capital Assets, *Being Depreciated*					
Buildings	43,158,520	-	6,217,416	(2,693,916)	46,682,020
Improvements	3,706,428	-	-	-	3,706,428
Infrastructure	8,168,203	580,505	6,879,255	-	15,627,963
Equipment	10,018,902	1,298,459	-	(48,951)	11,268,410
Total Capital Assets, *Being Depreciated*	65,052,053	1,878,964	13,096,671	(2,742,867)	77,284,821
Less Accumulated Depreciation					
Buildings	(6,237,263)	(934,226)	-	-	(7,171,489)
Improvements	(1,275,195)	(91,720)	-	-	(1,366,915)
Infrastructure	(762,522)	(374,356)	-	-	(1,136,878)
Equipment	(5,888,147)	(1,084,337)	-	48,951	(6,923,533)
Total Accumulated Depreciation	(14,163,127)	(2,484,639)	-	48,951	(16,598,815)
Total Capital Assets, *Being Depreciated, net*	50,888,926	(605,675)	13,096,671	(2,693,916)	60,686,006
Governmental Activities Capital Assets, *net*	$ 78,678,066	$ 10,522,899	$ -	$ (3,149,724)	$ 86,051,241

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

Governmental Activities	
General Government	$ 1,036,774
Public Safety	320,450
Public Works	717,195
Culture and Recreation	410,220
Total	$ 2,484,639

Note 4: Capital Assets (Continued)

Capital assets Business-Type activity for the year ended December 31, 2025 is summarized below:

	(Restated) Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Business-Type Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 474,257	$ -	$ -	$ -	$ 474,257
Water Rights	134,044,425	14,606,500	-	-	148,650,925
Construction in Progress	103,582,089	58,516,729	(52,059,238)	-	110,039,580
Total Capital Assets, *Not Being Depreciated*	238,100,771	73,123,229	(52,059,238)	-	259,164,762
Capital Assets, *Being Depreciated*					
Utility Systems	62,541,759	840,544	52,059,238	-	115,441,541
Equipment	1,872,260	265,254	-	-	2,137,514
Vehicles	281,224	169,953	-	-	451,177
Right to Use Assets	2,909	-	-	(2,909)	-
Total Capital Assets, *Being Depreciated*	64,698,152	1,275,751	52,059,238	(2,909)	118,030,232
Less: Accumulated Depreciation					
Utility Systems	(13,399,413)	(2,772,302)	-	-	(16,171,715)
Equipment	(745,888)	(223,377)	-	-	(969,265)
Vehicles	(31,656)	(71,993)	-	-	(103,649)
Right to Use Assets	-	-	-	-	-
Total Accumulated Depreciation	(14,176,957)	(3,067,672)	-	-	(17,244,629)
Total Capital Assets, *Being Depreciated, net*	50,521,195	(1,791,921)	52,059,238	(2,909)	100,785,603
Business-Type Activities Capital Assets, *net*	$ 288,621,966	$ 71,331,308	$ -	$ (2,909)	$ 359,950,365

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

Business-Type Activities	
Water	$ 1,144,531
Sewer	1,876,215
Refuse	46,926
Total	$ 3,067,672

The Town will be continuing its process of determining the acquisition value of any additional water rights and shares owned during the year ended December 31, 2025.

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, 2025.

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Governmental Activities					
Compensated Absences	$ 289,022	$ 52,469	$ -	$ 341,491	$ -
Total	$ 289,022	$ 52,469	$ -	$ 341,491	$ -

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, 2025.

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Business-Type Activities					
Water Revenue Bonds, Series 2024	$ 64,660,000	$ -	$ (1,455,000)	$ 63,205,000	$ 1,525,000
Premium	7,456,672	-	(516,100)	6,940,572	-
Wastewater Revenue Bonds, Series 2021	44,920,000	-	(900,000)	44,020,000	940,000
Premium	8,237,143	-	(512,374)	7,724,769	-
Lease Liability	2,908	-	(2,908)	-	-
Compensated Absences	107,215	-	(34,358)	72,857	-
Total	$ 125,383,938	$ -	$ (3,420,740)	$ 121,963,198	$ 2,465,000

Water Revenue Bonds, Series 2024
Water Revenue Bonds in the amount of $65,025,000 were issued on August 20, 2024 for the purpose of upgrading the Town's water treatment plant. This note is paid from the net revenue derived from the operation and use of the Town's water enterprise system. Interest rate for this note is 5.0% payable semi-annually with a final payment due on December 1, 2048.

Note 5: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Following is a schedule of the future minimum bond payments required under the outstanding Water Revenue Bond, Series 2024:

Year Ended December 31,	Principal	Interest	Total
2026	$ 1,525,000	$ 3,160,250	$ 4,685,250
2027	1,600,000	3,084,000	4,684,000
2028	1,685,000	3,004,000	4,689,000
2029	1,765,000	2,919,750	4,684,750
2030	1,855,000	2,831,500	4,686,500
2031-2035	10,760,000	12,669,750	23,429,750
2036-2040	13,730,000	9,697,500	23,427,500
2041-2045	17,520,000	5,904,750	23,424,750
2046-2048	12,765,000	1,297,250	14,062,250
Total	$ 63,205,000	$ 44,568,750	$ 107,773,750

Wastewater Revenue Bonds, Series 2021
Wastewater Revenue Bonds in the amount of $46,0585,000 were issued on August 18, 2021 for the purpose of upgrading the Town's wastewater treatment plants and infrastructure. This note is paid from the net revenue derived from the operation and use of the Town's wastewater enterprise system. Interest rate for this note is 4.2% payable semi-annually with a final payment due on December 1, 2051.

Following is a schedule of the future minimum bond payments required under the outstanding Wastewater Revenue Bond, Series 2021:

Year Ended December 31,	Principal	Interest	Total
2026	$ 940,000	$ 1,824,900	$ 2,764,900
2027	990,000	1,777,900	2,767,900
2028	1,040,000	1,728,400	2,768,400
2029	1,090,000	1,676,400	2,766,400
2030	1,145,000	1,621,900	2,766,900
2031-2035	6,570,000	7,270,650	13,840,650
2036-2040	8,000,000	5,834,400	13,834,400
2041-2045	9,740,000	4,100,200	13,840,200
2046-2050	11,845,000	1,990,800	13,835,800
2051	2,660,000	106,400	2,766,400
Total	$ 44,020,000	$ 27,931,950	$ 71,951,950

Note 6: Retirement Commitments

Deferred Compensation Plan

The Town offers its employees a deferred compensation (IRC Section 457) plan, which is a defined contribution plan. The plan is available to all full-time Town employees. Eligible employees can participate upon hire and are immediately vested. The Town will match employee contributions of up to 6% of qualifying wages. The plan incorporates a 401a plan which requires the Town to contribute 6% of qualifying wages of eligible wages. The 457 portions of the plan allows for employees to make elective deferrals. The maximum amount the Town will contribute to the 401a plan is 12%; the 6% based on mandatory participation and up to 6% in matching contributions based upon 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 $625,701 to the plan for the year ended December 31, 2025 equal to the required contribution.

Defined Benefit Police Pension Plan (SWDB)

General Information - FPPA

Plan Description - The Town contributes to the Supplemental Social Security Employers portion of the Statewide Defined Benefit Plan (SWDB), cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for substantially all full-time employees of participating in fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.fppaco.org.

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

Note 6: Employees' Retirement Plans (Continued)

Defined Benefit Police Pension Plan (SWDB) *(Continued)*

General Information - FPPA *(Continued)*

The annual normal retirement benefit is 2% 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% 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. Benefits 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% 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% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Contributions - Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

The contribution rate for members and employers of affiliated social security employers is 6.00 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 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 will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

The Town's contributions to the plan for the year ended December 31, 2025, were $118,272, equal to the required contributions.

Note 6: Employees' Retirement Plans (Continued)

Defined Benefit Police Pension Plan (SWDB) *(Continued)*

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

For the year ended December 31, 2025, the Town reported pension liability of $0. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Town's proportion of the net pension asset was based on the Town's contributions to the plan for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers. At December 31, 2025, the Town's proportion was 0.108469% which was an increase of 0.10146891% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the Town recognized pension liability of $200,228. At December 31, 2025, the Town 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
Differences between expected and actual experience	$ 200,837	$ 6,525
Changes in assumptions and other inputs	69,080	-
Net difference between projected and actual Earnings on plan investments	6,436	-
Changes in proportion	-	287,506
Contributions subsequent to the measurement date	118,272	-
Total	$ 394,625	$ 294,031

Town contributions subsequent to the measurement date of $118,272 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	
2026	$ 60,425
2027	(3,784)
2028	(36,262)
2029	(17,282)
2030	(20,014)
Thereafter	(761)
Total	$ (17,678)

Note 6: Employees' Retirement Plans (Continued)

Defined Benefit Police Pension Plan (SWDB) *(Continued)*

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

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

	Actuarial Determined Contributions
Actuarial Method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disables retirees uses the Pub-2010 Safety Healthy Annuitant mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the 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 pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Note 6: Employees' Retirement Plans (Continued)

Defined Benefit Police Pension Plan (SWDB) *(Continued)*

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.0%
Equity Long/Short	6%	6.2%
Private Markets	34%	8.8%
Fixed Income - Rates	7%	5.0%
Fixed Income - Credit	7%	6.5%
Absolute Return	9%	5.7%
Cash	4%	4.2%
Total	100%	

Discount Rate - 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 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.

Note 6: Employees' Retirement Plans (Continued)

Defined Benefit Police Pension Plan (SWDB) *(Continued)*

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

Sensitivity of the Town's proportionate share of the net pension liability/ (asset) to changes in the discount rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate share of the Net pension liability (asset)	$ 529,319	$ -	$ -

Pension plan fiduciary net position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Note 7: Transfers

The Town made the following transfers between funds during the year ended December 31, 2025:

Transfers In	Transfers Out	Amount
General Fund	Library Fund	$ 614,643
General Fund	Water Fund	50,700,000
Library Fund	General Fund	2,026,184
Parks and Open Space Fund	General Fund	2,000,000
Wastewater Fund	General Fund	1,113,950
Water Fund	General Fund	1,753,064
Water Fund	Parks and Open Space Fund	70,000
Wastewater Fund	Parks and Open Space Fund	60,000
Drainage Fund	Parks and Open Space Fund	10,000
Total		$ 58,347,841

Note 8: Tax Abatements

The Town enters into agreements for the development of commercial properties in accordance with its economic development program. Agreements included in this program provide sales and use tax incentives to retail establishments in exchange for negotiated benefits to the Town. In 2025, the Town reimbursed sales and use taxes to the owners of 2534 Development, Mary's Mountain Cookies, and Buc-ee's in the amount of $2,114,640 at December 31, 2025.

Note 9: Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

CIRSA operates as a common risk management and insurance program for 281 members participating in the Property & Casualty Pool and 128 members in the Workers' Compensation Pool. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. The Town has other commercial insurance for other risks including employee health and accident insurance.

The Town is not involved in any pending and threatened litigation as of December 31, 2025.

Note 10: 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 owned by the Town. The YMCA will use Facility Revenue 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, 2025, the Town paid an operating subsidy to the YMCA in the amount of $277,333, equal to the required amount per the terms of the agreement.

Note 10: Commitments and Contingencies (Continued)

TABOR Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $1,525,000 was recorded in the General Fund.

Required Supplementary Information

Town of Johnstown, Colorado
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
For the Year Ended December 31, 2025

Measurement Date	12/31/2023	12/31/2022	12/32/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
Town's Proportion of the Net Pension Liability	0.101468910%	0.124000000%	0.115000000%	0.105000000%	0.098000000%
Town's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ 109,678	$ (624,381)	$ (228,187)	$ (55,237)
Town's Covered Payroll	$ 2,464,275	$ 2,327,325	$ 1,873,246	$ 1,756,468	$ 1,439,700
Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	4.71%	(33.33%)	(12.99%)	(3.84%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.60%	97.60%	106.70%	116.20%	106.70%

Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Town Contributions					
Statutorily Required Contribution	$ 118,272	$ 98,571	$ 93,093	$ 78,837	$ 70,259
Contributions in Relation to the Statutorily Required Contribution	(118,272)	(98,571)	(93,093)	(78,837)	(70,259)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Town's Covered-Employee Payroll	$ 2,369,345	$ 2,464,275	$ 2,327,325	$ 1,873,246	$ 1,756,485
Contributions as a Percentage of Covered Payroll	4.99%	4.00%	4.00%	4.21%	4.00%

This schedule is presented to show information for 10 years.

(Continued)

Town of Johnstown, Colorado
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
For the Year Ended December 31, 2025
(Continued)

Measurement Date	12/31/2018	12/31/2017	12/30/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
Town's Proportion of the Net Pension Liability	0.095000000%	0.092000000%	0.098000000%	0.092000000%	0.095000000%
Town's Proportionate Share of the Net Pension Liability	$ 120,358	$ (132,637)	$ 35,231	$ (1,619)	$ (107,336)
Town's Covered Payroll	$ 1,277,103	$ 1,040,266	$ 997,981	$ 911,068	$ 868,643
Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	9.42%	(12.75%)	3.53%	(0.18%)	(12.36%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.20%	106.30%	98.20%	100.10%	105.80%

Reporting Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Town Contributions					
Statutorily Required Contribution	$ 57,587	$ 51,016	$ 41,450	$ 39,919	$ 36,443
Contributions in Relation to the Statutorily Required Contribution	(57,587)	(51,016)	(41,450)	(39,919)	(36,443)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Town's Covered-Employee Payroll	$ 1,439,700	$ 1,277,103	$ 1,040,266	$ 997,981	$ 911,068
Contributions as a Percentage of Covered Payroll	4.00%	3.99%	3.98%	4.00%	4.00%

This schedule is presented to show information for 10 years.

Town of Johnstown, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Taxes and Fees	$ 31,531,138	$ 31,531,138	$ 35,795,175	$ 4,264,037	$ 40,368,536
Licenses and Permits	2,533,300	2,533,300	2,597,317	64,017	2,919,275
Intergovernmental	-	-	3,269,566	3,269,566	2,803,512
Charges for Services	-	-	234,450	234,450	272,177
Fines and Forfeitures	275,000	275,000	765,732	490,732	679,957
Investment Earnings	900,000	900,000	4,315,371	3,415,371	3,848,341
Donations	440,000	440,000	1,896	(438,104)	378,487
Miscellaneous	17,800	17,800	877,593	859,793	990,753
Total Revenues	35,697,238	35,697,238	47,857,100	12,159,862	52,261,038
Expenditures					
Current					
General Government	9,387,070	9,387,070	6,842,117	2,544,953	5,880,174
Public Safety	10,441,960	10,441,960	5,828,771	4,613,189	5,055,473
Public Works	6,279,300	6,279,300	3,283,187	2,996,113	2,502,589
Culture and Recreations	676,120	676,120	495,489	180,631	362,641
Capital Outlay	1,238,540	1,238,540	6,200,430	(4,961,890)	10,389,282
Total Expenditures	28,022,990	28,022,990	22,649,994	5,372,996	24,190,159
Excess Revenues Over (Under) Expenditures	7,674,248	7,674,248	25,207,106	17,532,858	28,070,879
Other Financing Sources (Uses)					
Transfers In	1,000,000	1,000,000	3,212,252	2,212,252	2,499,808
Transfers Out	(56,978,124)	(57,578,124)	(54,453,719)	3,124,405	(3,035,150)
Net Change in Fund Balance	(48,303,876)	(48,903,876)	(26,034,361)	22,869,515	27,535,537
Fund Balance, *Beginning of Year*	90,013,997	90,013,997	90,013,997	-	62,478,460
Fund Balance, *End of Year*	$ 41,710,121	$ 41,110,121	$ 63,979,636	$ 22,869,515	$ 90,013,997

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Street and Alley Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Taxes and Fees	$ 5,688,000	$ 5,688,000	$ 7,877,706	$ 2,189,706	$ 8,129,650
Licenses and Permits	1,065,940	1,065,940	160,416	(905,524)	185,143
Intergovernmental Revenue	-	-	3,299,977	3,299,977	2,680,567
Charges for Services	1,050,000	1,050,000	1,285,797	235,797	1,093,053
Investment Income	100,000	100,000	1,137,881	1,037,881	660,982
Miscellaneous	225,000	225,000	-	(225,000)	-
Donations	-	-	2,452,972	2,452,972	120
Total Revenues	8,128,940	8,128,940	16,214,749	8,085,809	12,749,515
Expenditures					
Operations and Maintenance	5,875,260	5,875,260	1,831,855	4,043,405	1,470,169
Capital Outlay	10,889,500	16,257,880	9,760,101	6,497,779	5,003,136
Total Expenditures	16,764,760	22,133,140	11,591,956	10,541,184	6,473,305
Excess Revenues Over (Under) Expenditures	(8,635,820)	(14,004,200)	4,622,793	18,626,993	6,276,210
Other Financing Sources (Uses)					
Transfers Out	-	-	-	-	-
Net Change in Fund Balance	(8,635,820)	(14,004,200)	4,622,793	18,626,993	6,276,210
Fund Balance, *Beginning of Year*	26,960,362	26,960,362	26,960,362	-	20,684,152
Fund Balance, *End of Year*	$ 18,324,542	$ 12,956,162	$ 31,583,155	$ 18,626,993	$ 26,960,362

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Taxes and Fees	$ 850,000	$ 850,000	$ 1,236,450	$ 386,450	$ 1,915,366
Grants and Contributions	375,000	375,000	-	(375,000)	-
Investment Income	100,000	100,000	600,911	500,911	863,044
Total Revenues	1,325,000	1,325,000	1,837,361	512,361	2,778,410
Expenditures					
Pubic Works	-	-	7,345	(7,345)	6,593
Capital Outlay	5,685,500	5,685,500	155,254	5,530,246	537,026
Total Expenditures	5,685,500	5,685,500	162,599	5,522,901	543,619
Excess Revenues Over (Under) Expenditures	(4,360,500)	(4,360,500)	1,674,762	6,035,262	2,234,791
Other Financing Sources (Uses)					
Transfers Out	(50,000)	(50,000)	-	50,000	(200,000)
Net Change in Fund Balance	(4,410,500)	(4,410,500)	1,674,762	6,085,262	2,034,791
Fund Balance, *Beginning of Year*	13,136,993	13,136,993	13,136,993	-	11,102,202
Fund Balance, *End of Year*	$ 8,726,493	$ 8,726,493	$ 14,811,755	$ 6,085,262	$ 13,136,993

Supplementary Information

Town of Johnstown, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Library Fund	Cemetery Fund	Parks and Open Space Fund	Total
Assets				
Cash and Cash Equivalents	$ 16,357,516	$ 167,825	$ 11,292,730	$ 27,818,071
Restricted Cash and Cash Equivalents	-	-	149,655	149,655
Accounts Receivable*, Net*	227,449	55,040	79,139	361,628
Due from Other Funds	-	3,155	-	3,155
Prepaid Expenses	-	-	1,216	1,216
Total Assets	$ 16,584,965	$ 226,020	$ 11,522,740	$ 28,333,725
Liabilities				
Accounts Payable	$ -	$ -	$ 122,395	$ 122,395
Accrued Liabilities	2,585	-	2,480	5,065
Accrued Salaries	20,413	-	17,251	37,664
Total Liabilities	22,998	-	142,126	165,124
Fund Balance				
Unspendable	-	-	1,216	1,216
Restricted for:				
Culture and Recreation	-	-	-	-
Parks and Recreation	-	-	-	-
Cemetery Maintenance	-	226,020	-	226,020
Unrestricted, Unassigned	16,561,967	-	11,379,398	27,941,365
Total Fund Balance	16,561,967	226,020	11,380,614	28,168,601
Total Liabilities and Fund Balance	$ 16,584,965	$ 226,020	$ 11,522,740	$ 28,333,725

Town of Johnstown, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
December 31, 2025

	Library Fund	Cemetery Fund	Parks and Open Space Fund	Total
Revenues				
Licenses and Permits	$ -	$ -	$ 490,102	$ 490,102
Intergovernmental	2,702,436	-	1,848,274	4,550,710
Charges for Services	-	-	83,320	83,320
Investment Income	570,757	5,733	217,108	793,598
Donations	2,555	-	-	2,555
Miscellaneous	2,430	12,515	13,405	28,350
Total Revenues	3,278,178	18,248	2,652,209	5,948,635
Expenditures				
Current				
Culture and Recreation	991,083	-	1,076,803	2,067,886
Capital Outlay	1,131,162	-	1,312,230	2,443,392
Total Expenditures	2,122,245	-	2,389,033	4,511,278
Excess Revenues Over (Under) Expenditures	1,155,933	18,248	263,176	1,437,357
Other Financing Sources (Uses)				
Transfers (In)	1,408,481	-	2,140,000	3,548,481
Other Financing Sources (Uses)	1,408,481	-	2,140,000	3,548,481
Net Change in Fund Balance	2,564,414	18,248	2,403,176	4,985,838
Fund Balance, *Beginning of Year*	13,997,553	207,772	8,977,438	23,182,763
Fund Balance, *End of Year*	$ 16,561,967	$ 226,020	$ 11,380,614	$ 28,168,601

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Library Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Library Facilities Fee	$ 3,398,424	$ 3,398,424	$ 1,227,558	$ (2,170,866)	$ 918,921
Intergovernmental Revenue	-	-	1,474,878	1,474,878	1,282,323
Investment Income	500,000	500,000	570,757	70,757	533,398
Donations	3,500	3,500	2,555	(945)	7,200
Miscellaneous	383,950	383,950	2,430	(381,520)	2,261
Total Revenues	4,285,874	4,285,874	3,278,178	(1,007,696)	2,744,103
Expenditures					
Operations and Maintenance	1,959,000	3,639,000	991,083	2,647,917	1,379,121
Capital Outlay	2,200,000	2,600,000	1,131,162	1,468,838	13,000
Total Expenditures	4,159,000	6,239,000	2,122,245	4,116,755	1,392,121
Excess Revenues Over (Under) Expenditures	126,874	(1,953,126)	1,155,933	3,109,059	1,351,982
Other Financing Sources (Uses)					
Transfers Out	200,000	8,571,748	1,408,481	(7,163,267)	2,035,150
Net Change in Fund Balance	326,874	6,618,622	2,564,414	(4,054,208)	3,387,132
Fund Balance, *Beginning of Year*	13,997,553	13,997,553	13,997,553	-	10,610,421
Fund Balance, *End of Year*	$ 14,324,427	$ 20,616,175	$ 16,561,967	$ (4,054,208)	$ 13,997,553

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Cemetery Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Investment Income	$ 3,749	$ 3,749	$ 5,733	$ 1,984	$ 6,689
Intergovernmental Revenue	12,560	12,560	12,515	(45)	14,873
Total Revenues	16,309	16,309	18,248	1,939	21,562
Net Change in Fund Balance	16,309	16,309	18,248	1,939	21,562
Fund Balance, *Beginning of Year*	207,772	207,772	207,772	-	186,210
Fund Balance, *End of Year*	$ 224,081	$ 224,081	$ 226,020	$ 1,939	$ 207,772

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Parks and Open Space Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Licenses and Permits	$ 1,008,982	$ 1,008,982	$ 490,102	$ (518,880)	$ 382,737
Intergovernmental Revenue	-	-	1,848,274	1,848,274	1,643,774
Charges for Services	-	-	83,320	83,320	83,202
Investment Income	75,000	75,000	217,108	142,108	231,828
Miscellaneous	-	-	13,405	13,405	(1,519)
Total Revenues	1,083,982	1,083,982	2,652,209	1,568,227	2,340,022
Expenditures					
Operations and Maintenance	1,272,140	1,272,140	1,076,803	195,337	1,046,349
Capital Outlay	2,011,600	2,011,600	1,312,230	699,370	2,175,621
Total Expenditures	3,283,740	3,283,740	2,389,033	894,707	3,221,970
Excess Revenues Over (Under) Expenditures	(2,199,758)	(2,199,758)	263,176	2,462,934	(881,948)
Other Financing Sources (Uses)					
Transfers In	2,140,000	2,140,000	2,140,000	-	1,340,000
Net Change in Fund Balance	(59,758)	(59,758)	2,403,176	2,462,934	458,052
Fund Balance, *Beginning of Year*	8,977,438	8,977,438	8,977,438	-	8,519,386
Fund Balance, *End of Year*	$ 8,917,680	$ 8,917,680	$ 11,380,614	$ 2,462,934	$ 8,977,438

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Charges for Services	$ 7,815,000	$ 7,815,000	$ 21,364,998	$ 13,549,998	$ 14,455,953
Contributions	-	-	14,151,620	14,151,620	11,977,716
Investment Income	-	-	3,671,110	3,671,110	2,254,811
Miscellaneous Revenue	1,345,250	1,345,250	1,518,021	172,771	392,312
Total Revenues	9,160,250	9,160,250	40,705,749	31,545,499	29,080,792
Expenses					
Administration	-	-	231,437	(231,437)	212,099
Operations and Maintenance	6,433,970	6,433,970	3,002,509	3,431,461	3,318,825
Collection and Distribution	-	-	1,317,312	(1,317,312)	1,196,554
Capital Outlay	62,879,000	62,879,000	-	62,879,000	30,765,878
Debt Services					
Principal	4,790,750	4,790,750	1,456,454	3,334,296	1,220,000
Interest	2,771,000	2,771,000	2,710,839	60,161	969,799
Cost of Debt Issuance	-	-	-	-	612,165
Total Expenses	76,874,720	76,874,720	8,718,551	68,156,169	38,295,320
Net Operating Income	(67,714,470)	(67,714,470)	31,987,198	99,701,668	(9,214,528)
Nonoperating Revenues (Expenses)					
Tap Fees	2,230,000	2,230,000	4,636,451	2,406,451	4,372,587
Transfers Out	50,700,000	50,700,000	48,876,936	(1,823,064)	(70,000)
Total Nonoperating Revenues (Expenses)	52,930,000	52,930,000	53,513,387	583,387	4,302,587
Change in Net Position, *Budgetary Basis*	$ (14,784,470)	$ (14,784,470)	85,500,585	$ 100,285,055	(4,911,941)
Reconciliation to GAAP Basis					
Capital Outlay Capitalized			-		30,765,878
Debt Service Principal			1,456,454		365,000
Depreciation			(1,144,531)		(806,010)
Change in Net Position, *GAAP Basis*			$ 85,812,508		$ 25,412,927

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Wastewater Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Charges for Services	$ 4,364,250	$ 4,364,250	$ 5,648,358	$ 1,284,108	$ 4,349,163
Investment Income	-	-	2,492,457	2,492,457	3,376,653
Miscellaneous Revenue	12,000	12,000	70,965	58,965	12,230
Transfers In	-	-	-	-	-
Total Revenues	4,376,250	4,376,250	8,211,780	3,835,530	7,738,046
Expenses					
Administration	-	-	213,860	(213,860)	206,003
Operations and Maintenance	4,538,100	4,538,100	1,629,312	2,908,788	1,748,291
Collection and Distribution	-	-	611,967	(611,967)	505,329
Capital Outlay	25,814,000	25,814,000	4,701	25,809,299	26,490,906
Debt Services					
Principal	2,769,900	2,769,900	901,454	1,868,446	153,000
Interest	3,161,969	1,300,000	1,350,213	(50,213)	1,356,793
Total Expenses	36,283,969	34,422,000	4,711,507	29,710,493	30,460,322
Net Operating Income	(31,907,719)	(30,045,750)	3,500,273	33,546,023	(22,722,276)
Nonoperating Revenues (Expenses)					
Capital Improvement Fees	3,848,213	3,848,213	7,003,766	3,155,553	6,111,241
Intergovernmental	25,000	25,000	3,665,551	3,640,551	3,287,200
Transfers Out	(1,000,000)	(1,000,000)	(1,173,950)	(173,950)	(2,559,808)
Total Nonoperating Revenues (Expenses)	2,873,213	2,873,213	9,495,367	6,622,154	6,838,633
Change in Net Position, *Budgetary Basis*	$ (29,034,506)	$ (27,172,537)	12,995,640	$ 40,168,177	(15,883,643)
Reconciliation to GAAP Basis					
Capital Outlay Capitalized			4,701		26,490,906
Debt Service Principal			901,454		855,000
Depreciation			(1,876,215)		(750,722)
Change in Net Position, *GAAP Basis*			$ 12,025,580		$ 10,711,541

Town of Johnstown, Colorado
Budgetary Comparison Schedule
Drainage Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2024 Actual
Revenues					
Charges for Services	$ 560,000	$ 560,000	$ 627,222	$ 67,222	$ 578,337
Investment Income	25,000	25,000	164,506	139,506	155,107
Miscellaneous	228,780	228,780	-	(228,780)	-
Total Revenues	813,780	813,780	791,728	(22,052)	733,444
Expenses					
Administration	-	-	86,807	(86,807)	145,330
Operations and Maintenance	844,450	844,450	179,059	665,391	211,104
Capital Outlay	1,254,200	1,254,200	-	1,254,200	39,307
Total Expenses	2,098,650	2,098,650	265,866	1,832,784	395,741
Net Operating Income	(1,284,870)	(1,284,870)	525,862	1,810,732	337,703
Nonoperating Revenues (Expenses)					
Intergovernmental	-	-	218,003	218,003	164,207
Impact Fees	250,000	250,000	445,215	195,215	568,456
Transfers Out	-	-	(10,000)	(10,000)	(10,000)
Total Nonoperating Revenues (Expenses)	250,000	250,000	653,218	403,218	722,663
Change in Net Position, *Budgetary Basis*	$ (1,034,870)	$ (1,034,870)	1,179,080	$ 2,213,950	1,060,366
Reconciliation to GAAP Basis					
Capital Outlay Capitalized			-		39,307
Depreciation			(46,926)		(42,989)
Change in Net Position, *GAAP Basis*			$ 1,132,154		$ 1,056,684

Compliance Section

State Compliance

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: Johnstown	PREPARED BY: Devon McCarty	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Total (1 - (2 through 4))				

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	1,086,875.47
b. Non-property Taxes and Assessments Imposts	10,058,963.65	b. Other Misc. Local Receipts	
c. Total (a + b)	$ 10,058,963.65	**c. Total (a + b)**	$ 1,086,875.47
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	711,860.58	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	84,716.45		
c. Total (a + b)	$ 84,716.45		
4. Total (1 + 2 + 3c)	$ 796,577.03	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	
c. Construction Costs	5,274,708.79
d. Total Capital Outlay (a+ b + c)	$ 5,274,708.79

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LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount 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.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 10,058,963.65
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 1,086,875.47
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)	$ 11,145,839.12
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 796,577.03
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 11,942,416.15

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 5,274,708.79
2. Maintenance:	5,061,282.24
3. Road and Street Services:	
a. Snow and Ice Removal	79,300.89
b. Other & Traffic Control Operations	
c. Total (a + b)	$ 79,300.89
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 10,415,291.92
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 (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 10,415,291.92

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -