



**TOWN OF MEAD
MEAD, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

TABLE OF CONTENTS

INTRODUCTORY SECTION	PAGE
Title Page	
Table of Contents	
FINANCIAL SECTION	
Management's Discussion and Analysis (Unaudited)	M1 – M8
Independent Auditors' Report	1 - 2
Basic Financial Statements	
<u>Government-wide Financial Statements</u>	
Statement of Net Position	3
Statement of Activities	4 - 5
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	6 - 7
Reconciliation of Governmental Fund Balance to Governmental Activities Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9-10
Reconciliation of Governmental Funds Change in Fund Balance to Governmental Activities Change in Net Position	11
Statement of Net Position - Proprietary Funds	12
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14
<u>Notes to Financial Statements</u>	15 - 44
Required Supplementary Information – Pension Schedules (Unaudited)	
Schedule of the Town's Proportionate Share of the Net Pension Asset (Liability) – FPPA Pension Plan	45
Schedule of Town Contributions – FPPA Pension Plan	46
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	47 - 48
Budgetary Comparison Schedule – Mead Urban Renewal Authority Fund	49
Other Supplementary Information	
Combining Fund Statements and Schedules:	
Balance Sheet – Nonmajor Governmental Funds	50 - 51
Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	52 - 53
Budgetary Comparison Schedules:	
Conservation Trust Fund	54
Municipal Fund	55
Police Protection Fund	56
Storm Drainage Fund	57
Transportation Fund	58
Parks & Open Space Fund	59
Capital Improvement Fund	60
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Sewer Fund	61
COMPLIANCE SECTION	
State Compliance	
Local Highway Finance Report	62 - 63

FINANCIAL SECTION



Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the Town's financial condition and operating results, and to disclose to the reader important financial activities and issues related to the Town's basic operations and mission. The MD&A should be read in conjunction with a review of the Town's basic financial statements.

The Town has two separate financial categories or activities - governmental activities, and those activities referred to as business-type activities. Within the governmental activities, the Town has a General Fund and several Special Revenue Funds. The governmental activities are funded primarily through the Town's ad-valorem property tax, sales taxes, and charges for services. The business-type activities consist of the sanitation fund. This business-type activity is funded primarily through charges for services.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of four parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, *Required Supplementary Information*, and *Other Supplemental Schedules*. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting on the Town's operations in more detail than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

The basic financial statements are followed by a section of *required supplementary information* (required under generally accepted accounting principles) that further explains and supports the information in the financial statements.

Following the required supplementary information is *other supplemental schedules*. These schedules are not required by generally accepted accounting principles but present information that is required by the state of Colorado.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the Town as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *Net Position* and changes in them. The Town's Net Position – the difference between assets and liabilities – is one way to measure the Town's financial health, or *financial position*. Over time, increases or decreases in the Town's Net Position are one indicator of whether its financial health, including liquidity and financial flexibility, is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base, growth prospects, citizen involvement, revisions to laws, and similar indicators need to be reviewed in order to assess the overall health of the Town.

The Statement of Net Position reports information by fund type. The Statement of Activities reports information by function, program, or service.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two kinds of activities:

- **Governmental Activities** – The activities of the Town for its General Fund and Special Revenue Funds are reported here. Property taxes, sales taxes, and charges for services finance most of these activities.
- **Business-Type Activities** – The activities of the Town's Sanitation Fund are reported here. This fund is financed primarily by charges for services.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant funds – not on the Town as a whole. The Town's two kinds of funds – *governmental and proprietary* – use different accounting approaches.

Governmental funds – The Town's activities in its General Fund and Special Revenue Funds are reported as governmental funds, which focus on how money flows into and out of these funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs and services.

Proprietary (Enterprise) funds – The activity of the Town's enterprise fund, its Sanitation Fund, is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

HIGHLIGHTS

GOVERNMENTAL ACTIVITIES

- Sales & Use tax collections were 5.7% below 2016 actual and 3.6% below 2017 budget;
- Building permit fees were 63.3% above 2016 actual and 44.1% below 2017 budget;
- Severance Tax and Federal Mineral Lease Direct Distributions continued to decrease (-29.4% below 2016 actual) due to slowdown in oil & gas development;
- Development increased with 35 single family dwelling permits issued vs 11 issued in 2016;
- Issued 3 commercial permits, up from 2 in 2016;
- Collected 37 sewer plant investment fees from commercial / residential development vs. 11 in 2016.

BUSINESS-TYPE ACTIVITIES

Total Revenues were \$615,634 in 2017 - an increase of 6.7% vs. 2016. Plant investment fees (PIFs) in 2017 were \$174,600 compared to \$50,000 in 2016 due to several large commercial projects and 25 additional single family dwelling permits.

STATEMENT OF NET POSITION

The perspective of the Statement of Net Position is of the Town as a whole. The following is a summary of the Town's Net Position for 2017 compared to 2016:

	CONDENSED STATEMENT OF NET POSITION					
	Governmental Activities		Business-type Activities		Total	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016	12/31/2017	12/31/2016
ASSETS						
Current and Other Assets	\$ 11,252,470	\$ 6,766,831	\$ 1,095,793	\$ 953,005	\$ 12,348,263	\$ 7,719,836
Capital Assets	12,534,161	13,500,180	5,175,949	5,324,566	17,710,110	18,824,746
Total Assets	<u>23,786,631</u>	<u>20,267,011</u>	<u>6,271,742</u>	<u>6,277,571</u>	<u>30,058,373</u>	<u>26,544,582</u>
DEFERRED OUTFLOWS	13,191	-	-	-	13,191	-
LIABILITIES						
Current Liabilities	545,904	99,589	53,818	2,002,571	599,722	2,102,160
Noncurrent Liabilities	361,557	360,102	1,836,647	49,558	2,198,204	409,660
Total Liabilities	<u>907,461</u>	<u>459,691</u>	<u>1,890,465</u>	<u>2,052,129</u>	<u>2,797,926</u>	<u>2,511,820</u>
DEFERRED INFOWS	2,696,910	1,296,350	68,808	-	2,765,718	1,296,350
NET POSITION						
Net Investment in Capital Assets	12,282,458	11,708,865	3,346,026	3,321,995	15,628,484	15,030,860
Restricted	2,421,858	2,677,137	110,000	-	2,531,858	2,677,137
Unrestricted	5,635,433	4,124,968	856,443	903,449	6,491,876	5,028,417
Total Net Position	<u>\$ 20,339,749</u>	<u>\$ 18,510,970</u>	<u>\$ 4,312,469</u>	<u>\$ 4,225,444</u>	<u>\$ 24,652,218</u>	<u>\$ 22,736,414</u>

STATEMENT OF ACTIVITIES

The perspective of the Statement of Activities is of the Town as a whole. The following table reflects the change in Net Position for Fiscal Years 2017 and 2016.

	CONDENSED STATEMENT OF ACTIVITIES					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
PROGRAM REVENUES						
Charges for Services	\$ 544,440	\$ 697,190	\$ 615,634	\$ 579,281	\$ 1,160,074	\$ 1,276,471
Operating Grants	572,472	330,535	-	-	572,472	330,535
Capital Grants	215,304	366,270	174,600	50,000	389,904	416,270
Total Program Revenues	<u>1,332,216</u>	<u>1,393,995</u>	<u>790,234</u>	<u>629,281</u>	<u>2,122,450</u>	<u>2,023,276</u>
GENERAL REVENUES						
Property Taxes	2,830,153	1,252,820	-	-	2,830,153	1,252,820
Specific Ownership Taxes	112,658	1,939,138	-	-	112,658	1,939,138
Sales and Use Taxes	1,828,715	92,882	-	-	1,828,715	92,882
Franchise and In Lieu of Taxes	164,435	-	-	-	164,435	-
Other Taxes	367,397	155,487	-	-	367,397	155,487
Interest Income	57,203	102,875	6,972	2,322	64,175	105,197
Gain (Loss) on Capital Assets	(39,124)	-	-	-	(39,124)	-
Other Revenues	129,913	-	-	-	129,913	-
Total General Revenues	<u>5,451,350</u>	<u>3,543,202</u>	<u>6,972</u>	<u>2,322</u>	<u>5,458,322</u>	<u>3,545,524</u>
Total Revenues	<u>6,783,566</u>	<u>4,937,197</u>	<u>797,206</u>	<u>631,603</u>	<u>7,580,772</u>	<u>5,568,800</u>
PROGRAM EXPENSES						
General Government	2,578,019	1,793,819	-	-	2,578,019	1,793,819
Public Safety	705,155	477,509	-	-	705,155	477,509
Public Works	1,153,392	1,674,888	-	-	1,153,392	1,674,888
Culture and Recreation	621,257	387,340	-	-	621,257	387,340
Sewer Operations	-	-	710,180	782,037	710,180	782,037
Noncapitalized Capital Outlay	(104,402)	-	-	-	(104,402)	-
Interest	1,366	-	-	-	1,366	-
Total Program Expenses	<u>4,954,787</u>	<u>4,333,556</u>	<u>710,180</u>	<u>782,037</u>	<u>5,664,967</u>	<u>5,115,593</u>
CHANGE IN NET POSITION	1,828,779	603,641	87,026	(150,434)	1,915,805	453,207
Net Position, Beginning	<u>18,510,970</u>	<u>17,907,329</u>	<u>4,225,443</u>	<u>4,375,878</u>	<u>22,736,413</u>	<u>22,283,207</u>
NET POSITION, ENDING	<u>\$ 20,339,749</u>	<u>\$ 18,510,970</u>	<u>\$ 4,312,469</u>	<u>\$ 4,225,444</u>	<u>\$ 24,652,218</u>	<u>\$ 22,736,414</u>

GOVERNMENTAL ACTIVITIES

General Government, Public Safety (primarily police protection provided by the Town and Weld County Sheriff's Office and building inspections), Public Works (primarily street maintenance), and Culture and Recreation, as well as each program's net cost (total cost less revenues generated by the activities). The net cost of services shows the financial contribution by the Town's taxpayers for each of these functions.

The net cost of services for the general government function is significantly lower than the cost of services due to the fact that certain sources of revenue are considered charges for services.

BUSINESS-TYPE ACTIVITIES

Charges for services from the Town's business-type activity were \$615,634 in 2017 which is an increase of 5.9% from 2016. Plant investment fees (tap fees) in 2017 were \$174,600 compared to \$50,000 in 2016.

THE TOWN'S FUNDS

The Town has several funds that are used to provide financial accountability. The most significant is the general fund which accounts for all activity that is not accounted for in another fund. This includes general government activities (legislative, administrative, etc.) as well as public safety, parks, and capital expenditures that benefit the Town as whole. The other significant funds include the sanitation fund.

In addition, the Town has several funds that account for the revenues and expenses related to various impact fees.

As the Town completed the year, its governmental funds reported a combined fund balance of \$8,009,656, which is an increase from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund actual total revenues excluding transfers, lease proceeds, and developer bill backs were \$1,235,378 (\$6,154,708 budget vs. \$4,919,330 actual) less than budgeted due in part to the Town not pursuing a Recreation grant (\$500,000) and a GOCO grant (\$400,000), and not realizing the development anticipated (100 single family permits were budgeted vs. 35 actual). Budget included \$479,500 in building use tax / administrative fees vs. \$268,080 actual. Better than expected sales tax collections helped to offset use tax revenues not collected. Severance and Federal Mineral Lease Distributions were 27.9% under budget (\$54,059 actual vs. \$75,000 budget) due to a continued slowdown in oil and gas development. Franchise fees were \$40,000 below budget due to not pursuing a franchise agreement with Little Thompson Water District.

General Fund actual expenses excluding transfers and developer bill backs were \$1,599,921 less than 2017 budget. The largest portion of which was the budgeted match (\$900,000 unexpended) for the Recreation and GOCO grants which were not pursued. Staff vacancies accounted for approximately \$142,000 in wage and benefit savings. Construction costs associated with the Area Trails 3 project also came in lower than budget (\$460,000 budgeted vs. \$264,000 actual). The Public Safety department was approximately \$150,000 under budget primarily due to lower than budgeted building inspections costs associated with less than expected development. The Park department was approximately \$130,000 under budget due to landscaping and tree maintenance not completed (\$43,000), recreation events / programs not held or scaled back (\$44,000), and savings realized in wages and benefits due to staff vacancies (\$30,000).

CAPITAL ASSETS

At year-end, the Town had \$17,710,000 (net of accumulated depreciation) invested in a broad range of capital assets, including land, buildings, public works vehicles and equipment, infrastructure, sewer plants, and sewer mains (see the table below).

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 1,726,255	\$ 932,630	\$ -	\$ 2,658,885
Water rights	73,095	-	-	73,095
Construction in progress	828,535	488,000	796,227	520,308
Total capital assets not being depreciated	<u>2,627,885</u>	<u>1,420,630</u>	<u>796,227</u>	<u>3,252,288</u>
Capital assets being depreciated				
Buildings	2,202,550	287,185	-	2,489,735
Improvements	185,049	67,216	-	252,265
Equipment	674,955	-	-	674,955
Vehicles	262,456	264,684	-	527,140
Infrastructure	8,552,610	8,200	-	8,560,810
Total capital assets being depreciated	<u>11,877,620</u>	<u>627,285</u>	<u>-</u>	<u>12,504,905</u>
Total capital assets	14,505,505	2,047,915	796,227	15,757,193
Less: Accumulated depreciation	<u>(2,697,051)</u>	<u>(525,981)</u>	<u>-</u>	<u>(3,223,032)</u>
Net governmental capital assets	<u>\$11,808,454</u>	<u>\$1,521,934</u>	<u>\$796,227</u>	<u>\$12,534,161</u>

OUTSTANDING DEBT

The following is a summary of the Town's debt.

	Beginning Balance	Additions	Repayments	Ending Balance	Current Portion
<u>Governmental Activities</u>					
2012 Capital Lease - Grader	\$ 73,589	\$ -	\$ 35,315	\$ 38,274	\$ 30,523
2016 Capital Lease - Radios	26,000	-	12,864	13,136	13,136
2017 Capital Lease - Dump Truck	-	248,356	48,063	200,293	48,188
Total Capital Leases Payable	99,589	248,356	96,242	251,703	91,847
Accrued Compensated Absences	69,615	40,239	-	109,854	-
Total Noncurrent Liabilities	<u>\$ 169,204</u>	<u>\$ 288,595</u>	<u>\$ 96,242</u>	<u>\$ 361,557</u>	<u>\$ 91,847</u>
<u>Business-type Activities</u>					
CWRPDA Note Payable	\$1,930,000	\$ -	\$ 100,077	\$1,829,923	\$ 66,869
Accrued Compensated Absences	3,417	3,307	-	6,724	-
Total Noncurrent Liabilities	<u>\$1,933,417</u>	<u>\$ 3,307</u>	<u>\$ 100,077</u>	<u>\$1,836,647</u>	<u>\$ 66,869</u>

ECONOMIC AND OTHER FACTORS AND NEXT YEAR'S BUDGET

- The Board of Trustees for the Town of Mead will continue to use a balanced budget approach to develop the annual budget. Expenses will be based on the available resources and the highest priority needs. The Town began allocating funds to the Capital Improvement Fund which will supplement the anticipated revenue from Development Impact Fees for the infrastructure improvements needed to address future growth. As the Town continues to grow, its capital projects will also increase, and therefore, this fund will identify the funding sources and prioritization of expenditures for capital items. The Town also formed the Mead Police Department in 2017. Building the Police Department will require increased levels of spending in the Public Safety budget in 2018 and beyond. The 2018 Budget also includes completing / beginning several studies to better prepare the Town for future growth including preparing a Storm Water Drainage Master Plan and updating the Transportation Plan.

Several major annexations are nearing completion, the local economy continues to improve, and the Town continues to work with local developers while also trying to attract more businesses. All of these factors bode well for future residential / commercial growth.

2017 sales tax collections (\$1,678,756) exceeded budget (\$1,500,000), and we expect collections to remain steady through 2018. The Town's revenue stream, especially sales and property tax, continues to be unpredictable and will continue to be monitored closely. The addition of several new businesses is helping to even out sales tax revenue and reduce our concentration in one vendor. 2017 was the first full year of the Mead Urban Renewal Authority (MURA). Based upon 2017 revenues (MURA 2017 ending fund balance \$451,031), the Town anticipates working with the MURA on projects in 2018. Property tax collections will remain volatile due to the Town's exposure to oil and gas activity in Weld County. Both the State and the County Assessor have warned of volatile property tax and severance and federal mineral lease distribution revenues due to the oil and gas industry. As in the past, if revenues fail to meet the projections, the Town will reduce expenditures accordingly.

With the addition of an in-house Planning Director and Planner I, the Town is positioning itself to be prepared for the impending growth. We also look forward to the expansion of the Mead Police Department to better serve the needs of our growing community.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact either the Town Manager or the Town Treasurer at:

TOWN OF MEAD
P.O. Box 626 (mailing address)
441 Third Street (street address)
Mead, Colorado 80542
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Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Trustees
Town of Mead
Mead, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mead, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited the Town of Mead's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the 2016 financial statements have been restated to reflect the reclassification of the Town's accrued compensated absences from a current to a noncurrent liability. The Town has previously recorded a receivable in the General Fund for amounts owed by metropolitan districts for certain public improvements completed by the Town. It was determined that it should have been recorded as a non-current receivable in the governmental activities rather than as a receivable in the fund. The general fund equity was restated to reflect this change. As further described in note 11. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis and Pension Schedules

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M8 and pension schedules on pages 45 - 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules shown on pages 47 - 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The combining and budgetary comparison statements and schedules listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report page 62 - 63 is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Englewood, Colorado
June 1, 2018

BASIC FINANCIAL STATEMENTS

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TOWN OF MEAD, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments	\$ 7,747,711	\$ 1,020,687	\$ 8,768,398
Receivables			
Property Tax Receivable	2,696,910	-	2,696,910
Intergovernmental Receivables	192,421	-	192,421
Utility Receivable	-	74,928	74,928
Cash with Fiscal Agent	110,288	-	110,288
Accounts Receivable	489,602	-	489,602
Other Receivables	14,038	178	14,216
Other Current Assets	1,500	-	1,500
Total Current Assets	<u>11,252,470</u>	<u>1,095,793</u>	<u>12,348,263</u>
Noncurrent Assets			
Capital Assets not being Depreciated	3,252,288	367,453	3,619,741
Capital Assets being Depreciated	12,504,905	6,976,481	19,481,386
Accumulated Depreciation	(3,223,032)	(2,167,985)	(5,391,017)
Noncurrent Receivables	144,298	-	144,298
Total Noncurrent Assets	<u>12,678,459</u>	<u>5,175,949</u>	<u>17,854,408</u>
TOTAL ASSETS	<u>23,930,929</u>	<u>6,271,742</u>	<u>30,202,671</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES			
Pension Contribution Timing	13,191	-	13,191
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 23,944,120</u>	<u>\$ 6,271,742</u>	<u>\$ 30,215,862</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 331,975	\$ 25,724	\$ 357,699
Accrued Liabilities	2,832	-	2,832
Accrued Salaries and Benefits	22,938	1,484	24,422
Deposits and Escrow	188,159	-	188,159
Accrued Interest Payable	-	26,610	26,610
Total Current Liabilities	<u>545,904</u>	<u>53,818</u>	<u>599,722</u>
Noncurrent Liabilities			
Due within one year	91,847	66,869	158,716
Due in more than one year	269,710	1,769,778	2,039,488
Total Noncurrent Liabilities	<u>361,557</u>	<u>1,836,647</u>	<u>2,198,204</u>
TOTAL LIABILITIES	<u>907,461</u>	<u>1,890,465</u>	<u>2,797,926</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	2,696,910	-	2,696,910
Bond Premiums	-	68,808	68,808
TOTAL DEFERRED INFLOWS	<u>2,696,910</u>	<u>68,808</u>	<u>2,765,718</u>
NET POSITION			
Net Investment in Capital Assets	12,282,458	3,346,026	15,628,484
Restricted Net Position	2,421,858	110,000	2,531,858
Unrestricted Net Position	5,635,433	856,443	6,491,876
TOTAL NET POSITION	<u>20,339,749</u>	<u>4,312,469</u>	<u>24,652,218</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 23,944,120</u>	<u>\$ 6,271,742</u>	<u>\$ 30,215,862</u>

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

TOWN OF MEAD, COLORADO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	\$ 2,578,019	\$ 161,173	\$ 191,732	\$ -
Public Safety	705,155	27,256	-	-
Public Works	1,153,392	268,080	337,275	-
Culture and Recreation	621,257	87,931	43,465	215,304
Capital Outlay - Non Capitalized	(104,402)	-	-	-
Interest on Debt	1,366	-	-	-
TOTAL GOVERNMENT ACTIVITIES	4,967,978	544,440	572,472	215,304
Business-type Activities				
Current:				
Sewer	710,180	615,634	-	174,600
TOTAL GOVERNMENT	\$ 5,678,158	\$ 1,160,074	\$ 572,472	\$ 389,904
GENERAL REVENUES				
Property Taxes				
Specific Ownership Taxes				
Sales and Use Taxes				
Franchise and In Lieu of Taxes				
Special Assessments/Impact Fees				
Interest Income				
Gain (Loss) on Disposal of Capital Assets				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION - Beginning				
NET POSITION - Ending				

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
\$ (2,225,114)	\$ -	\$ (2,225,114)
(677,899)	-	(677,899)
(548,037)	-	(548,037)
(274,557)	-	(274,557)
104,402	-	104,402
(1,366)	-	(1,366)
<u>(3,622,571)</u>	<u>-</u>	<u>(3,622,571)</u>
<u>-</u>	<u>80,054</u>	<u>80,054</u>
<u>(3,622,571)</u>	<u>80,054</u>	<u>(3,542,517)</u>
2,830,153	-	2,830,153
112,658	-	112,658
1,828,715	-	1,828,715
164,435	-	164,435
367,397	-	367,397
57,203	6,972	64,175
(39,124)	-	(39,124)
129,913	-	129,913
<u>5,451,350</u>	<u>6,972</u>	<u>5,458,322</u>
1,828,779	87,026	1,915,805
18,510,970	4,225,443	22,736,413
<u>\$ 20,339,749</u>	<u>\$ 4,312,469</u>	<u>\$ 24,652,218</u>

TOWN OF MEAD, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	SPECIAL REVENUE FUND				
	General Fund	CAPITAL PROJECTS FUNDS			
		Mead Urban Renewal Authority Fund	Municipal Fund	Transportation Fund	Capital Improvement Fund
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments	\$ 4,589,559	\$ 451,756	\$ 1,252,796	\$ 156,369	\$ 423,773
Receivables					
Property Tax Receivable	1,231,419	1,465,491	-	-	-
Intergovernmental Receivables	192,421	-	-	-	-
Cash with Fiscal Agent	110,288	-	-	-	-
Accounts Receivable	489,602	-	-	-	-
Other Receivables	14,037	-	-	-	-
Other Current Assets	1,500	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 6,628,826</u>	<u>\$ 1,917,247</u>	<u>\$ 1,252,796</u>	<u>\$ 156,369</u>	<u>\$ 423,773</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 320,934	\$ 117	\$ 2,175	\$ -	\$ 7,158
Accrued Liabilities	2,832	-	-	-	-
Accrued Salaries and Benefits	22,330	608	-	-	-
Deposits and Escrow	188,159	-	-	-	-
Accrued Compensated Absences	-	-	-	-	-
TOTAL LIABILITIES	<u>534,255</u>	<u>725</u>	<u>2,175</u>	<u>-</u>	<u>7,158</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Deferred Property Taxes	<u>1,231,419</u>	<u>1,465,491</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Restricted Fund Balance	143,000	-	1,250,621	156,369	-
Committed Fund Balance	-	451,031	-	-	416,615
Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	<u>4,720,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCE	<u>4,863,152</u>	<u>451,031</u>	<u>1,250,621</u>	<u>156,369</u>	<u>416,615</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 6,628,826</u>	<u>\$ 1,917,247</u>	<u>\$ 1,252,796</u>	<u>\$ 156,369</u>	<u>\$ 423,773</u>

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

Other Funds	Total	
	2017	2016
\$ 873,458	\$ 7,747,711	\$ 6,513,258
-	2,696,910	1,296,350
-	192,421	2,892
-	110,288	-
-	489,602	629,103
-	14,037	15,453
-	1,500	1,500
<u>\$ 873,458</u>	<u>\$ 11,252,469</u>	<u>\$ 8,458,556</u>

\$ 1,590	\$ 331,974	\$ 203,972
-	2,832	5,407
-	22,938	13,107
-	188,159	68,000
-	-	69,615
<u>1,590</u>	<u>545,903</u>	<u>360,101</u>

-	2,696,910	1,296,350
---	-----------	-----------

871,868	2,421,858	2,677,136
-	867,646	825,617
-	-	1,482,245
-	4,720,152	1,817,107
<u>871,868</u>	<u>8,009,656</u>	<u>6,802,105</u>
<u>\$ 873,458</u>	<u>\$ 11,252,469</u>	<u>\$ 8,458,556</u>

TOWN OF MEAD, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2017**

Fund Balance - Governmental Funds		\$ 8,009,656
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 3,252,288	
Capital assets, being depreciated	12,504,905	
Accumulated depreciation	<u>(3,223,032)</u>	12,534,161
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds		
Noncurrent accounts receivable		144,298
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Contributions subsequent to measurement date		13,191
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(251,703)	
Accrued compensated absences	<u>(109,854)</u>	<u>(361,557)</u>
Total Net Position - Governmental Activities		<u>\$ 20,339,749</u>

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

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TOWN OF MEAD, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	SPECIAL REVENUE				
	FUND				
	General	Mead Urban Renewal Authority	CAPITAL PROJECTS FUNDS		
			Municipal	Transportation	Capital Improvement
Fund	Fund	Fund	Fund	Fund	
REVENUES					
Taxes	\$ 3,473,091	\$ 1,462,870	\$ 117,039	\$ 121,610	\$ -
Intergovernmental Revenues	713,466	-	-	-	-
Licenses and Permits	405,400	-	-	-	-
Fines and Forfeits	26,225	-	-	-	-
Internal Charges	-	7,630	-	-	-
Charges for Services	215,666	-	-	-	-
Investment Earnings	35,206	2,888	11,238	952	467
Other Revenues	160,757	-	-	-	-
TOTAL REVENUES	<u>5,029,811</u>	<u>1,473,388</u>	<u>128,277</u>	<u>122,562</u>	<u>467</u>
EXPENDITURES					
Current:					
General Government	1,524,354	960,873	1,030	-	-
Public Safety	643,323	-	26,273	-	-
Public Works	482,574	-	-	-	-
Parks, Recreation and Other	514,034	-	-	-	-
Capital Outlay	916,927	-	542,411	-	14,436
Debt Service	97,608	-	-	-	-
TOTAL EXPENDITURES	<u>4,178,820</u>	<u>960,873</u>	<u>569,714</u>	<u>-</u>	<u>14,436</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>850,991</u>	<u>512,515</u>	<u>(441,437)</u>	<u>122,562</u>	<u>(13,969)</u>
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	248,356	-	-	-	-
Transfers (In)	248,500	-	-	-	430,584
Transfers (Out)	(572,584)	(61,500)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(75,728)</u>	<u>(61,500)</u>	<u>-</u>	<u>-</u>	<u>430,584</u>
NET CHANGE IN FUND BALANCE - GAAP BASIS	<u>775,263</u>	<u>451,015</u>	<u>(441,437)</u>	<u>122,562</u>	<u>416,615</u>
FUND BALANCE, BEGINNING	4,273,053	16	1,692,058	33,807	-
Prior Period Restatement	(185,164)	-	-	-	-
FUND BALANCE, BEGINNING (As Restated)	<u>4,087,889</u>	<u>16</u>	<u>1,692,058</u>	<u>33,807</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 4,863,152</u>	<u>\$ 451,031</u>	<u>\$ 1,250,621</u>	<u>\$ 156,369</u>	<u>\$ 416,615</u>

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

	Other Funds	Total	
		2017	2016
\$	128,749	\$ 5,303,359	\$ 3,605,002
	43,465	756,931	689,033
	-	405,400	371,505
	-	26,225	13,981
	-	7,630	-
	-	215,666	55,973
	6,452	57,203	16,639
	-	160,757	113,941
	<u>178,666</u>	<u>6,933,171</u>	<u>4,866,074</u>
	3,975	2,490,232	1,529,265
	-	669,596	577,563
	37,000	519,574	541,662
	744	514,778	303,057
	23,250	1,497,024	1,907,944
	-	97,608	44,539
	<u>64,969</u>	<u>5,788,812</u>	<u>4,904,030</u>
	<u>113,697</u>	<u>1,144,359</u>	<u>(37,956)</u>
	-	248,356	39,004
	-	679,084	96,500
	<u>(45,000)</u>	<u>(679,084)</u>	<u>(96,500)</u>
	<u>(45,000)</u>	<u>248,356</u>	<u>39,004</u>
	<u>68,697</u>	<u>1,392,715</u>	<u>1,048</u>
	803,171	6,802,105	6,801,057
	-	(185,164)	-
	<u>803,171</u>	<u>6,616,941</u>	<u>6,801,057</u>
\$	<u>871,868</u>	<u>\$ 8,009,656</u>	<u>\$ 6,802,105</u>

TOWN OF MEAD, COLORADO

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

Change in Fund Balance - Governmental Funds		\$ 1,392,715
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	1,290,812	
Depreciation Expense	(525,981)	
Gain (Loss) on Asset Disposals	<u>(39,124)</u>	725,707
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Change in Noncurrent Receivables		(110,481)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to the measurement date		13,191
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Proceeds from debt issuances	(248,356)	
Principal payments on capital leases	96,242	
Change in accrued compensated absences	<u>(40,239)</u>	<u>(192,353)</u>
Change in Net Position - Governmental Activities		<u>\$ 1,828,779</u>

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

TOWN OF MEAD, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	Business-type		
	Activities		
	Sewer	Total	
Fund	2017	2016	
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets			
Cash and Investments	\$ 1,020,687	\$ 1,020,687	\$ 886,383
Receivables			
Utility Receivable	74,928	74,928	66,622
Other Receivables	178	178	-
Total Current Assets	<u>1,095,793</u>	<u>1,095,793</u>	<u>953,005</u>
Noncurrent Assets			
Capital Assets not being depreciated	367,453	367,453	294,835
Capital Assets being depreciated	6,976,481	6,976,481	6,963,164
Accumulated Depreciation	<u>(2,167,985)</u>	<u>(2,167,985)</u>	<u>(1,933,434)</u>
Total Noncurrent Assets	<u>5,175,949</u>	<u>5,175,949</u>	<u>5,324,565</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 6,271,742</u>	<u>\$ 6,271,742</u>	<u>\$ 6,277,570</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 25,724	\$ 25,724	\$ 12,477
Accrued Salaries and Benefits	1,484	1,484	1,083
Accrued Interest Payable	<u>26,610</u>	<u>26,610</u>	<u>32,579</u>
Total Current Liabilities	<u>53,818</u>	<u>53,818</u>	<u>46,139</u>
Noncurrent Liabilities			
Due within one year	66,869	66,869	100,077
Due in more than one year	<u>1,769,778</u>	<u>1,769,778</u>	<u>1,833,340</u>
Total Noncurrent Liabilities	<u>1,836,647</u>	<u>1,836,647</u>	<u>1,933,417</u>
TOTAL LIABILITIES	<u>1,890,465</u>	<u>1,890,465</u>	<u>1,979,556</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Debt Premiums	<u>68,808</u>	<u>68,808</u>	<u>72,571</u>
NET POSITION			
Net Investment in Capital Assets	3,346,026	3,346,026	3,394,565
Restricted Net Position	110,000	110,000	104,000
Unrestricted Net Position	<u>856,443</u>	<u>856,443</u>	<u>726,878</u>
TOTAL NET POSITION	<u>4,312,469</u>	<u>4,312,469</u>	<u>4,225,443</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 6,271,742</u>	<u>\$ 6,271,742</u>	<u>\$ 6,277,570</u>

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

TOWN OF MEAD, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
With Comparative Totals for the Year Ended December 31, 2016

	Business-type		
	Activities		
	Sewer Fund	Total	
	2017	2016	
Operating Revenues			
Utility Charges	\$ 598,701	\$ 598,701	\$ 560,117
Other Charges for Services	16,933	16,933	16,683
Total Revenues	<u>615,634</u>	<u>615,634</u>	<u>576,800</u>
Operating Expenses			
Operations	284,714	284,714	230,416
Administration	129,051	129,051	248,927
Depreciation Expense	234,551	234,551	228,303
Total Expenditures	<u>648,316</u>	<u>648,316</u>	<u>707,646</u>
Operating Income (Loss)	<u>(32,682)</u>	<u>(32,682)</u>	<u>(130,846)</u>
Other Income (Expense)			
Investment Earnings	6,972	6,972	2,322
Other Revenue	-	-	2,480
Interest Expense	(61,864)	(61,864)	(74,391)
Total Other Income (Expense)	<u>(54,892)</u>	<u>(54,892)</u>	<u>(69,589)</u>
Net Income (Loss) before Transfers	<u>(87,574)</u>	<u>(87,574)</u>	<u>(200,435)</u>
Contributed Capital			
Plant Investment Fees	<u>174,600</u>	<u>174,600</u>	<u>50,000</u>
Change in Net Position	87,026	87,026	(150,435)
Net Position, Beginning	<u>4,225,443</u>	<u>4,225,443</u>	<u>4,375,878</u>
Net Position, Ending	<u>\$ 4,312,469</u>	<u>\$ 4,312,469</u>	<u>\$ 4,225,443</u>

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

TOWN OF MEAD, COLORADO

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	Business-type		
	Activities		
	Sewer	Total	
Fund	2017	2016	
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 607,150	\$ 607,150	\$ 572,081
Cash Paid to Suppliers	(309,646)	(309,646)	(407,861)
Cash Paid to or on behalf of Employees	(87,165)	(87,165)	(85,493)
Net Cash Provided by Operating Activities	<u>210,339</u>	<u>210,339</u>	<u>78,727</u>
Cash Flows From Capital and Related Financing Activities:			
Tap Fees Received	174,600	174,600	50,000
Debt Principal Payments	(100,077)	(100,077)	(130,000)
Interest Payments	(71,596)	(71,596)	(82,045)
Proceeds of Capital Asset Sales	-	-	64,571
Acquisition of Capital Assets	(85,934)	(85,934)	(28,444)
Cash Flows Used by Capital and Related Financing Activities	<u>(83,007)</u>	<u>(83,007)</u>	<u>(125,918)</u>
Cash Flows (Uses) From Noncapital Financing Activities:			
Other Revenues (Expense)	-	-	2,480
Cash Flows (Uses) From Investing Activities:			
Interest Received	<u>6,972</u>	<u>6,972</u>	<u>2,322</u>
Net Increase (Decrease) in Cash	134,304	134,304	(42,389)
Cash - Beginning	<u>886,383</u>	<u>886,383</u>	<u>928,772</u>
Cash - Ending	<u>\$ 1,020,687</u>	<u>\$ 1,020,687</u>	<u>\$ 886,383</u>
Cash and Investments	\$ 1,020,687	\$ 1,020,687	\$ 886,383
Restricted Cash and Investments	-	-	-
Total	<u>\$ 1,020,687</u>	<u>\$ 1,020,687</u>	<u>\$ 886,383</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:			
Operating Income (Loss)	<u>\$ (32,682)</u>	<u>\$ (32,682)</u>	<u>\$ (130,846)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	234,551	234,551	228,303
Changes in Assets and Liabilities Related to Operations:			
(Increase) Decrease in:			
Utility Receivable	(8,306)	(8,306)	(4,719)
Other Receivables	(178)	(178)	-
(Increase) Decrease in:			
Accounts Payable	13,247	13,247	(14,238)
Accrued Salaries and Benefits	401	401	(405)
Accrued Compensated Absences	3,306	3,306	632
Total Adjustments	<u>243,021</u>	<u>243,021</u>	<u>209,573</u>
Net Cash Used for Operating Activities	<u>\$ 210,339</u>	<u>\$ 210,339</u>	<u>\$ 78,727</u>

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



NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Mead, Colorado is a political subdivision of the State of Colorado governed by a seven member board of trustees. The Town is a full service entity providing public safety, public works, and parks services as well as providing sewer services.

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 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, there is one component unit over which the Town exercises significant influence which is the Town of Mead Urban Renewal Authority. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships). This component unit is reported as a fund of the Town.

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 activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment 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 and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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 a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt which is recognized when due and (2) compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are sales taxes, property taxes, franchise fees, interest earned and grants. Other revenues are not susceptible to accrual as they generally are not measurable until received in cash.

FUND ACCOUNTING

The accompanying financial statements include the Town's governmental fund types and proprietary fund types. The Town's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those related to the operation of the sewer system) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on a computation of net income. The following are the Town's governmental fund types:



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Fund Types (Continued)

General Fund

This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund taxes. Principal expenditures are for police protection, public works, parks and recreation and Town administration.

Special Revenue Funds

These funds account for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town's major special revenue fund is as follows:

Mead Urban Renewal Authority Fund

This fund accounts for the operations of the Mead Urban Renewal Authority (MURA) component unit.

Capital Projects Funds

These funds account for revenues derived from impact fees or other designated revenues that are to be used for capital purposes. The Town tracks its revenue from each type of impact fee, but is not obligated to spend such revenue immediately; in other words, it can build up reserves in order to have the cash available for large-scale projects. Expenditures from each fund are narrowly tailored to the type of fee collected, and consist of either "hard" costs (i.e. capital improvements or vehicle/equipment acquisitions), or "soft" costs relating to planning or engineering of hard costs, which can be a permissible use of impact fee revenue. The Town's major capital projects funds are as follows:

Municipal Fund

This fund accounts for impact fees that were previously dedicated for Municipal, Capital Equipment and Recreation capital expenditures.

Transportation Fund

This fund accounts for impact fees that are dedicated to the Town's curb, gutter, sidewalk, and street improvements.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Governmental Fund Types (Continued)

Capital Projects Funds (Continued)

Parks & Open Space Fund

This fund accounts for impact fees that were previously dedicated for Open Space and Parks capital expenditures.

Capital Improvement Fund

The Capital Improvement Fund accounts for all other major capital improvements not accounted for in one of the impact fee funds and is primarily funded through General Fund transfers.

Proprietary Fund Types

Proprietary funds are used to account for the Town's ongoing activities that are similar to a private business enterprise. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses. The measurement focus of proprietary funds is on the determination of net income. The Town's proprietary fund type is as follows:

Enterprise Funds

This fund accounts for the operation of Town facilities that are predominately self supporting through user charges. The Town's enterprise fund is as follows:

Sewer Fund

The Sewer Fund was established to account for the acquisition, operation and maintenance of the Town's sewer facility and infrastructure.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS AND BUDGETARY ACCOUNTING

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- 1) Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- 2) Certification of mill levies to the County Commissioners by December 15 of each year.
- 3) Final adoption of the budget and appropriations by December 31 of each year.

The Town does not use encumbrance accounting and all appropriations lapse at year end.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes govern the Town's deposits of cash and investments.

Investments consist of U.S. Treasuries, U.S. Agencies and Commercial Paper. The Town pools the fund's investments in the treasuries and does not make a distinction between cash and investments in the fund financial statements. However, for purposes of the Statement of Net Position in the government-wide financial statements these investments are separately identified in other noncurrent assets.

Cash and Equivalents

For the purposes of cash flow presentation, the Town considers all cash and fully liquid investment balances as cash and cash equivalents.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Governmental Funds – Accounts receivable in the governmental funds are considered past due after 60 days. At December 31, 2017, the Town had no significant past due accounts receivable. In estimating the allowance for doubtful accounts management reviews each past due balance and evaluates the likelihood of eventual collection. If an account is deemed uncollectable and should be written off, it is taken to the Board of Trustees for approval.

Noncurrent accounts receivable represents amounts to be collected from metropolitan districts for the construction of public improvements. The noncurrent portion of the receivable is not expected to be collected soon enough after year end to satisfy current liabilities are therefore does not qualify as a fund level receivable.

Sanitation Fund – The Town has the ability to lien the property for unpaid amounts in this fund. Accordingly, no allowance for doubtful accounts is deemed necessary.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Infrastructure is being recorded and depreciated on a prospective basis at historical cost.

Property, plant and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 - 40 years
Plant	40 years
Sewer Mains	20 – 25 years
Machinery, Equipment, and Vehicles	5 – 20 years
Infrastructure	25 years

Governmental Activities

Expenditures for capital assets are recorded as expenditures in the appropriate governmental fund. They are also reported in the governmental activities column of the government-wide financial statements. These assets are reported at cost, or at fair market value in the case of donated assets.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Capital Assets (Continued)

Depreciation has been provided in the government-wide financial statements and has been computed as described above. Depreciation is not provided in the fund financial statements.

Business Type Activities

Property, plant and equipment held in the proprietary funds are recorded at cost and estimated cost. Depreciation is computed as described above and is reported in the fund.

Accumulated Unpaid Leave (Compensated Absences)

The Town grants employees personal time off based on years of service. Upon termination or resignation, an employee will be paid for all earned but unused personal time off. The Town has the following policy for compensated personal days off (PDO).

<u>Years of Employment</u>	<u>PDO Days Per</u> <u>Year</u>
Up to 1	17
2 through 5	22
6 through 10	27
More than 10	32

PDO is used for vacation, illness, and other personal time. There is no separate vacation leave and sick leave. Employees are allowed to carry-over up to 240 hours of PDO.

Deferred Inflows of Financial Resources

In addition to liabilities, the statement of net position 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 that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Long-term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Net Position/Fund Balances

In the government-wide financial statements and for the proprietary fund statements, net position are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The Town does not currently have any nonspendable fund balances.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the most formal action, adoption of an ordinance, of the government's highest level of decision-making authority, the Board of Trustees, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

REVENUES AND EXPENDITURES

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid in two equal payments. To avoid penalties, the first half must be paid before March 1, and the second half must be paid on or before June 15. Alternatively, the taxes may be paid in full by April 30. All unpaid tax becomes delinquent June 16. Property taxes are levied and collected on behalf of the Town by Weld County and are reported as revenue when received by the County Treasurer.

Property taxes which have been levied for 2017 and will not be collected until 2018 have been accrued as a receivable at December 31, 2017. An offsetting deferred inflow of resources has been recorded in each of the affected funds.

Operating and Nonoperating Revenue

Operating revenue is defined as revenue that is derived from ordinary monthly billings to customers of the Town and other incidental charges of a routine nature. All other revenue, including tap fees are considered nonoperating revenue.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ESTIMATES

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONCENTRATIONS

A significant portion of the Town's sales tax is derived from one vendor.

COMPARATIVE DATA

Comparative total data for the prior year has been presented in most of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in certain statements since their inclusion would make those statements unduly complex and difficult to read.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS

The Town’s cash and investment balances are allocated as follows as of December 31, 2017:

Cash	\$ 7,048,630
Investments	<u>1,719,768</u>
Total Cash and Investments	<u>\$ 8,768,398</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The Town’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government 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 financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2017, all of the Town’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank</u>	<u>Book</u>
	<u>Balance</u>	<u>Balance</u>
FDIC Insured	\$ 627,004	\$ 627,004
PDPA Secured (Not in Entity's Name)	6,459,496	6,421,351
Petty Cash	<u>-</u>	<u>275</u>
Total Cash	<u>\$ 7,086,500</u>	<u>\$ 7,048,630</u>



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk - Investments

Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2017 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	Level 1	Level 2	Level 3	Other		Total	Weighted	% of Total	Rating
				Uncategorized			Average		
							Maturity	Investments	
FNMA	\$ -	\$ 542,724	\$ -	\$ -	\$ -	\$ 542,724	2.20	31.56%	AAA
U.S. Treasury Strips	-	223,001	-	-	-	223,001	1.62	12.97%	AAA
FHLMC	-	73,199	-	-	-	73,199	3.25	4.26%	AAA
Commercial Paper - Royal Bank of Canada	-	200,292	-	-	-	200,292	0.57	11.65%	(P)A1
Mutual Funds	-	5,256	-	-	-	5,256	N/A	0.31%	N/A
Colotrust Local Government Pool	-	-	-	675,296	-	675,296	N/A	39.27%	AAAm
Total Investments	\$ -	\$ 1,044,472	\$ -	\$ 675,296	\$ -	\$ 1,719,768	1.80	100%	

The Town's local government pool investment is not subject to categorization.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- U.S. Treasuries and Agencies - Valued at quoted market prices of the assets.
- Mutual Fund Investments - Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.
- Commercial Paper - Valued at quoted market prices of the assets.

The Town recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2017, there were no changes in the methods or assumptions utilized to derive the fair value of the Town's assets and liabilities.

During the year ended December 31, 2017, the Town invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The pool invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. The pool is rated AAAm by the Standard and Poor's Corporation. The balance of this investment as of December 31, 2017 was \$675,296.

Concentration of Credit Risk - Investments

The Town limits on the amount that may be invested in any one issuer. As of December 31, 2017, the Town held individual investments exceeding 5% of its portfolio as noted above.

Interest Rate Risk - Investments

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town's investment policy mirrors the statutory maturity limit as a means of managing its exposure to fair value losses arising from increasing interest rates. The anticipated maturity of any investment is not expected to exceed five years regardless of stated maturity.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2017, the Town's securitized investments were held in safekeeping by Wells Fargo Advisors.

NOTE 3: CAPITAL ASSETS

A summary of the Town's governmental activity capital assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 1,726,255	\$ 932,630	\$ -	\$ 2,658,885
Water rights	73,095	-	-	73,095
Construction in progress	828,535	488,000	796,227	520,308
Total capital assets not being depreciated	<u>2,627,885</u>	<u>1,420,630</u>	<u>796,227</u>	<u>3,252,288</u>
Capital assets being depreciated				
Buildings	2,202,550	287,185	-	2,489,735
Improvements	185,049	67,216	-	252,265
Equipment	674,955	-	-	674,955
Vehicles	262,456	264,684	-	527,140
Infrastructure	8,552,610	8,200	-	8,560,810
Total capital assets being depreciated	<u>11,877,620</u>	<u>627,285</u>	<u>-</u>	<u>12,504,905</u>
Total capital assets	14,505,505	2,047,915	796,227	15,757,193
Less: Accumulated depreciation	<u>(2,697,051)</u>	<u>(525,981)</u>	<u>-</u>	<u>(3,223,032)</u>
Net governmental capital assets	<u>\$11,808,454</u>	<u>\$1,521,934</u>	<u>\$796,227</u>	<u>\$12,534,161</u>



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation is charged to the Town's governmental activities as follows:

General government	\$ 60,629
Public safety	31,647
Public works	340,521
Parks and recreation	93,184
Total Depreciation	<u>\$ 525,981</u>

The following is a summary of the Town's business-type activity capital asset balances:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>				
Capital assets not being depreciated				
Land	\$ 294,835	\$ -	\$ -	\$ 294,835
Construction in progress	-	72,618	-	72,618
Total capital assets not being depreciated	<u>294,835</u>	<u>72,618</u>	<u>-</u>	<u>367,453</u>
Capital assets being depreciated				
Buildings	276,967	-	-	276,967
Improvements	32,114	-	-	32,114
Sewer mains	415,788	-	-	415,788
Sewer treatment plant	6,091,787	-	-	6,091,787
Equipment and vehicles	146,510	13,315	-	159,825
Total capital assets being depreciated	<u>6,963,166</u>	<u>13,315</u>	<u>-</u>	<u>6,976,481</u>
Total capital assets	7,258,001	85,933	-	7,343,934
Less: Accumulated depreciation	<u>(1,933,434)</u>	<u>(234,551)</u>	<u>-</u>	<u>(2,167,985)</u>
Net business-type capital assets	<u>\$ 5,324,567</u>	<u>\$ (148,618)</u>	<u>\$ -</u>	<u>\$ 5,175,949</u>



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: NONCURRENT LIABILITIES

The following is a schedule of long-term liabilities and changes in liabilities for the year, by activity type.

	<u>Beginning</u>			<u>Ending</u>	<u>Current</u>
	<u>Balance</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance</u>	<u>Portion</u>
<u>Governmental Activities</u>					
2012 Capital Lease - Grader	\$ 73,589	\$ -	\$ 35,315	\$ 38,274	\$ 30,523
2016 Capital Lease - Radios	26,000	-	12,864	13,136	13,136
2017 Capital Lease - Dump Truck	-	248,356	48,063	200,293	48,188
Total Capital Leases Payable	99,589	248,356	96,242	251,703	91,847
Accrued Compensated Absences	69,615	40,239	-	109,854	-
Total Noncurrent Liabilities	<u>\$ 169,204</u>	<u>\$ 288,595</u>	<u>\$ 96,242</u>	<u>\$ 361,557</u>	<u>\$ 91,847</u>
<u>Business-type Activities</u>					
CWRPDA Note Payable	\$1,930,000	\$ -	\$ 100,077	\$1,829,923	\$ 66,869
Accrued Compensated Absences	3,417	3,307	-	6,724	-
Total Noncurrent Liabilities	<u>\$1,933,417</u>	<u>\$ 3,307</u>	<u>\$ 100,077</u>	<u>\$1,836,647</u>	<u>\$ 66,869</u>

Governmental Activities Capital Leases Payable

In May 2012, the Town entered into a lease agreement for financing the acquisition of a motor grader valued at \$207,600. The lease has an interest rate of 2.50% and requires quarterly payments of principal and interest through February 2019 of \$7,799. The equipment has an estimated useful life of 7 years. This year \$29,657 was included in depreciation expense. The net book value of the asset is \$34,600 as of December 31, 2017. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. It is the policy of the Town to make the lease payments from the General Fund.

In February 2016, the Town entered into a lease agreement for financing the acquisition of radios valued at \$39,004. The lease has an interest rate of 2.10% and requires semi-annual payments of principal and interest through September 2018 of \$6,672. The equipment has an estimated useful life of 5 years. This year \$7,801 was included in depreciation expense. The net book value of the asset is \$25,353 as of December 31, 2017. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. It is the policy of the Town to make the lease payments from the General Fund.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: NONCURRENT LIABILITIES (Continued)

Governmental Activities Capital Leases Payable (Continued)

In January 2017, the Town entered into a lease agreement for financing the acquisition of a dump truck. The lease has an interest rate of 2.54% and requires quarterly payments of principal and interest through December 2021 of \$13,205. As of December 31, 2017, the Town has paid \$138,356 for the chassis and has an additional \$110,288 held in escrow for final payment upon delivery of the completed vehicle. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. It is the policy of the Town to make the lease payments from the General Fund.

The future minimum lease payments of principal and interest as of December 31, 2017, were as follows:

Year	2012 Grader Capital Lease	2016 Radios Capital Lease	2017 Dump Truck Capital Lease	Total
2018	\$ 31,196	\$ 13,343	\$ 52,819	\$ 97,358
2019	7,799	-	52,819	60,618
2020	-	-	52,819	52,819
2021	-	-	52,819	52,819
Total future minimum lease payments	38,995	13,343	211,276	263,614
Less: Interest	(721)	(207)	(10,983)	(11,911)
Present value of payments	\$ 38,274	\$ 13,136	\$ 200,293	\$ 251,703



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4: NONCURRENT LIABILITIES (Continued)

Business-type Activities Note Payable

In May 2007, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority for financing a wastewater treatment system project. This loan was restructured in April 2017 to extend the term an additional ten years. The loan has an interest rate of 3.49% and requires semi-annual payments of principal and interest through February 2037 of \$65,077. The Town has recorded a premium associated with this loan that is being amortized over the loan period. This loan is repaid through the Sewer Fund. The loan requires an operations and maintenance reserve equal to three months of budgeted operation and maintenance expenses excluding depreciation not to exceed \$1,250,000. At December 31, 2017, this amount has been recorded as restricted net position in the Sewer Fund. In addition, the Town has entered into a rate maintenance covenant requiring coverage equal to 110% of the maximum annual debt service of the loan. The coverage calculation for 2017 is included as Note 9. The Town has pledged all sewer revenues to the repayment of this debt.

The debt service requirements for the loan from the Colorado Water Resources and Power Development Authority is as follows:

<u>Year</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 130,155	\$ 66,869	\$ 63,286
2019	130,155	69,223	60,932
2020	130,155	71,660	58,495
2021	130,155	74,182	55,972
2022	130,155	76,794	53,361
2023-2027	650,775	426,475	224,295
2028-2032	650,775	507,020	143,752
2033-2037	585,697	537,700	47,995
Total	<u>\$2,538,022</u>	<u>\$1,829,923</u>	<u>\$708,088</u>



NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 5: COMMITMENTS AND CONTINGENCIES

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2017.

The Town has unspent lease proceeds of \$110,288 at December 31, 2017 that will be utilized for the final payment of a dump truck that is being built for the Town as further described in Note 4.

NOTE 6: RESTRICTED FUND BALANCE / NET POSITION

Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts. The Town's financial activity for the year ended December 31, 2017 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth.

Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retaining of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6: RESTRICTED FUND BALANCE / NET POSITION (Continued)

Tax Spending and Debt Limitations (Continued)

At a November 5, 1996 election, the Town passed the following ballot question:

SHALL THE TOWN OF MEAD BE AUTHORIZED TO COLLECT, RETAIN AND EXPEND THE FULL AMOUNT OF REVENUES GENERATED BY THE TOWN OF MEAD WITHOUT ANY INCREASE IN ANY TAX RATE, AND TO EXPEND SUCH REVENUES ON DEBT SERVICE, MUNICIPAL OPERATIONS AND CAPITAL PROJECTS EFFECTIVE JANUARY 1, 1997. NOTHING IN THIS QUESTION CAN OR WILL BE CONSTRUED TO REMOVE THE REMAINING RESTRICTIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, WHICH IS COMMONLY KNOWN AS AMENDMENT ONE, AND/OR THE TABOR AMENDMENT. THESE REMAINING RESTRICTIONS ARE (1) VOTER APPROVAL OF ALL NEW TAXES AND TAX RATE INCREASE INCREASES; (2) VOTER APPROVAL FOR ANY NEW OR ADDITIONAL TOWN OF MEAD DEBT; (3) ALL ADVALOREM PROPERTY TAX RESTRICTIONS REMAIN IN FULL FORCE AND EFFECT; AND (4) ALL ELECTION REQUIREMENTS REMAIN IN FULL FORCE AND EFFECT.

The Article requires an emergency reserve be set aside for 2017 in the amount of 3 percent or more of its fiscal year spending. At December 31, 2017, the Town has reserved the following for emergencies:

General Fund	<u>\$ 140,000</u>
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Other Restrictions and Commitments

The Town has restricted net position at December 31, 2017 in the Sewer Fund pursuant to the CWRPDA loan agreement in the amount of \$110,000. The Town has also restricted net position/fund balances related to collected, but unspent, impact fees that will be used to fund future projects in the Municipal, Transportation, Downtown Revitalization, Storm Drainage and Parks & Open Space Funds. The Town has restricted fund balance in the Conservation Trust Fund pursuant to legal requirements. The Town, via the Mead Urban Renewal Authority, has committed all available fund balance for renewal purposes subject to the plan documents. The Town has also committed available fund balance in the Capital Improvements Fund for future capital needs.



NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 7: RISK MANAGEMENT

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 defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons and 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 ability to significantly affect the operations of the unit.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2017.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS

DEFERRED COMPENSATION PLAN

Under Resolution No. 30-R-2015 the Town has established a deferred compensation plan. Participation in the plan is at the employee's option and the Town places no limit on the amount of the employee contribution. Under the plan, if the employee contributes up to 5% of their salary, the Town matches that contribution. If an employee contributes more than 5% the Town does not match the additional contribution. During the year employees contributed \$78,132 and the Town's matching amount was \$43,106.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

The Town began participation in the Statewide Defined Benefit Plan (FPPA) commencing January 1, 2017. As all plan calculations were prepared as of December 31, 2016, when the Town was not a participant, the Town does not have any pension assets or liabilities as of the December 31, 2017. The Town will report these amounts commencing December 31, 2018, based on the 2017 employer contribution percentage.

Summary of Significant Accounting Policies

Pensions. The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 8: **RETIREMENT COMMITMENTS** (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan

FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2016, that can be obtained at:

http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

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

General Information about the Pension Plan

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



NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8.5 percent through 2016. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022. The Town is not an affiliated social security employer.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$0 for the plan year ended December 31, 2016 and \$13,191 for the fiscal year ended December 31, 2017. The current year contributions will be expensed in 2018 for FPPA purposes and are a timing difference at year end.

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

At December 31, 2017, the Town reported a liability of \$0 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017. The Town's proportion of the net pension asset was based on Town's contributions to the SWDB for the calendar year 2016 relative to the total contributions of participating employers to the SWDB.

At December 31, 2017, the Town's proportion was 0%, which was the same as its proportion measured as of December 31, 2016.

For the year ended December 31, 2017, the Town recognized pension expense of \$0. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

	Deferred Outflows	Deferred Inflows
Contributions subsequent to the measurement date	\$ 9,892	\$ -

\$13,191 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2018.

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan investment expenses, including price inflation *	7.50%
Salary increase, including wage inflation *	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale BB is used in the projection of post-retirement benefits.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study adopted by FPPA’s Board in July 2011. The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the 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, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	36.00%	9.25%
Equity Long/Short	10.00%	7.35%
Illiquid Alternatives	23.00%	10.75%
Fixed Income	15.00%	4.10%
Absolute Return	10.00%	6.55%
Managed Futures	4.00%	5.50%
Cash	2.00%	0.00%
Total	100.00%	



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8: RETIREMENT COMMITMENTS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

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

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

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	\$ -	\$ -	\$ -



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9: RATE MAINTENANCE

The 2007 Colorado Water Resources and Power Development Authority sewer loan agreement require that Net Revenues shall represent a sum equal to 110% of the maximum amount necessary to pay when due the principal and interest on the loan and any parity debt coming due.

The computation of both the Water and Wastewater rate maintenance is as follows:

<u>Revenues</u>	
Operating Revenues	\$ 615,635
System Improvement Fees	174,600
Investment Earnings	<u>6,972</u>
Total Revenues	<u>797,207</u>
<u>Expenses</u>	
Operating Expenses	(648,317)
Less: Depreciation	<u>234,551</u>
Net Expenses	<u>(413,766)</u>
Net Revenues	<u>383,441</u>
<u>Debt Service Requirements (Parity and Subordinate)</u>	
2007 CWRPDA Note Payable	130,155
Required Coverage	<u>110%</u>
Debt Service Coverage Amount	<u>143,171</u>
Net Revenue Excess (Shortfall)	<u><u>\$ 240,270</u></u>



NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 10: INTERFUND TRANSACTIONS

The City has recorded the following transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
<u>General Fund</u>		
Mead Urban Renewal Authority	\$ 203,500	\$ (142,000)
Conservation Trust Fund	45,000	-
Capital Improvement Fund	-	(430,584)
<u>Conservation Trust Fund</u>		
General Fund	-	(45,000)
<u>Capital Improvement Fund</u>		
General Fund	430,584	-
<u>Mead Urban Renewal Authority</u>		
General Fund	<u>142,000</u>	<u>(203,500)</u>
Net Transfers	<u>\$ 821,084</u>	<u>\$ (821,084)</u>

The transfer from the General Fund to MURA was to provide upfront funding for operations. The transfer from MURA to General Fund represents a repayment amounts advanced during 2016 and 2017. All amounts have now been returned. The transfer from the Conservation Trust Fund to the General Fund is a routine operating transfer. The transfer from General Fund to the Capital Improvement Fund represents amounts committed for current and future capital acquisitions and replacements.

NOTE 11: PRIOR YEAR RESTATEMENTS

The Town has previously recorded its accrued compensated absences as a current liability at the fund level. As this liability is no longer expected to be paid currently, the Town has moved the liability from the General Fund to the Governmental Activities. Accordingly, the Town has increased the beginning equity in the General Fund by \$69,615. There was no impact on the Governmental Activities net position.

The Town has previously recorded a receivable in the General Fund for amounts owed by metropolitan districts for certain public improvements completed by the Town. This receivable balance is not anticipated to be fully received on a current basis and therefore the noncurrent portion should be reported at the activity level. The Town has moved the receivable outstanding of \$254,779 at December 31, 2016 from the General Fund to the Governmental Activities presentation. Accordingly, the Town has decreased the beginning equity in the General Fund by \$254,779. There was no impact on the Governmental Activities net position.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

TOWN OF MEAD, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)

FPPA Pension Plan
Last 10 Fiscal Years⁽¹⁾

	<u>12/31/17</u>
District's proportion of the net pension asset (liability)	0.000000%
District's proportionate share of the net pension asset (liability)	\$ -
District's covered-employee payroll	\$ -
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	98.21%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

SCHEDULE OF TOWN CONTRIBUTIONS

FPPA Pension Plan

Last 10 Fiscal Years⁽¹⁾

	<u>12/31/17</u>
Contractually required contributions	\$ -
Actual contributions	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ -
Contributions as a percentage of covered-employee payroll	#DIV/0!

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016	
	Original & Final Budget	Actual		Budget	Actual
REVENUES					
Taxes					
Property Taxes	\$ 1,373,523	\$ 1,367,283	\$ (6,240)	\$ 1,275,344	
Specific Ownership Taxes	65,000	112,658	47,658	72,944	
Sales and Use Taxes	1,898,000	1,828,715	(69,285)	1,939,139	
Franchise and In Lieu of Taxes	204,500	164,435	(40,065)	162,088	
Total Tax Revenue	<u>3,541,023</u>	<u>3,473,091</u>	<u>(67,932)</u>	<u>3,449,515</u>	
Intergovernmental Revenues					
Cigarette Taxes	22,220	14,685	(7,535)	19,938	
Highway Users	200,380	209,322	8,942	194,969	
Road and Bridge	115,300	127,953	12,653	79,997	
Clerk/Motor Vehicle Fees	24,000	24,294	294	23,860	
Mineral Lease	-	54,059	54,059	-	
Federal Grants	352,096	215,304	(136,792)	13,785	
State Grants	984,000	67,849	(916,151)	312,913	
Total Intergovernmental Revenue	<u>1,697,996</u>	<u>713,466</u>	<u>(984,530)</u>	<u>645,462</u>	
Licenses and Permits					
Liquor Licenses	950	903	(47)	1,503	
Building Permits	479,500	268,080	(211,420)	164,190	
Animal Licenses	1,680	1,031	(649)	1,236	
Business Licenses	7,860	9,816	1,956	5,032	
Other Licenses	159,100	125,570	(33,530)	199,544	
Total Licenses and Permits	<u>649,090</u>	<u>405,400</u>	<u>(243,690)</u>	<u>371,505</u>	
Fines and Forfeits					
	<u>46,625</u>	<u>26,225</u>	<u>(20,400)</u>	<u>13,981</u>	
Charges for Services					
Recreation Charges	102,395	87,931	(14,464)	43,398	
Other Charges for Services	18,000	127,735	109,735	12,575	
Total Charges for Services	<u>120,395</u>	<u>215,666</u>	<u>95,271</u>	<u>55,973</u>	
Investment Earnings					
	<u>23,309</u>	<u>35,206</u>	<u>11,897</u>	<u>7,878</u>	
Other Revenues					
Reimbursements and Refunds	35,070	53,920	18,850	13,870	
Donations	41,200	30,846	(10,354)	27,710	
Sale of Capital Assets	-	-	-	135	
Other Miscellaneous Revenue	-	75,991	75,991	72,226	
Total Other Revenue	<u>76,270</u>	<u>160,757</u>	<u>84,487</u>	<u>113,941</u>	
TOTAL REVENUES	<u>6,154,708</u>	<u>5,029,811</u>	<u>(1,124,897)</u>	<u>4,658,255</u>	

See accompanying Independent Auditors' Report.

(Continued)

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

General Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Original & Final Budget	Actual		
(Continued)				
EXPENDITURES				
General Government				
Legislative	50,681	40,904	9,777	43,189
Administration	1,637,972	1,483,450	154,522	1,418,361
Total General Government	1,688,653	1,524,354	164,299	1,461,550
Public Safety				
Law Enforcement	516,737	473,804	42,933	477,111
Municipal Court	24,900	26,874	(1,974)	20,389
Building Inspection	254,880	142,645	112,235	79,893
Total Public Safety	796,517	643,323	153,194	577,393
Public Works				
Roads	564,428	465,069	99,359	520,071
Water	3,920	1,404	2,516	2,513
Drainage	16,000	9,008	6,992	10,332
Other Expenses	11,750	7,093	4,657	7,747
Total Public Works/Comm Devel	596,098	482,574	113,524	540,663
Parks, Recreation and Other				
Parks and Recreation	644,514	514,034	130,480	295,198
Capital Outlay				
General Government Capital Outlay	900,000	-	900,000	-
Public Safety Capital Outlay	19,000	22,241	(3,241)	53,367
Public Works Capital Outlay	501,710	556,317	(54,607)	836,867
Parks, Recreation and Other Capital Outlay	492,210	26,529	465,681	57,197
Other Capital Outlay	45,500	311,841	(266,341)	60,737
Total Capital Outlay	1,958,420	916,928	1,041,492	1,008,168
Debt Service				
Principal	94,539	97,608	(3,069)	41,009
Interest	-	-	-	3,530
Total Debt Service	94,539	97,608	(3,069)	44,539
TOTAL EXPENDITURES	5,778,741	4,178,821	1,599,920	3,927,511
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	375,967	850,990	475,023	730,744
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	248,356	248,356	-
Transfers In	248,500	248,500	-	35,000
Transfers (Out)	(572,584)	(572,584)	-	(61,500)
TOTAL OTHER FINANCING SOURCES (USES)	(324,084)	(75,728)	248,356	(26,500)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	\$ 51,883	775,262	\$ 723,379	704,244
FUND BALANCE, BEGINNING		4,273,053		3,568,809
Prior Period Restatement		(185,164)		-
FUND BALANCE, BEGINNING (As Restated)		4,087,889		3,568,809
FUND BALANCE, ENDING		\$ 4,863,151		\$ 4,273,053

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Mead Urban Renewal Authority Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Original & Final Budget	Actual	Variance With Final Budget	
REVENUES				
Taxes				
Property Taxes	\$ 1,423,579	\$ 1,462,870	\$ 39,291	\$ -
Internal Charges				
Administrative/Management Fees	3,349	7,630	4,281	-
Investment Earnings				
	-	2,888	2,888	1
TOTAL REVENUES	<u>1,426,928</u>	<u>1,473,388</u>	<u>46,460</u>	<u>1</u>
EXPENDITURES				
General Government				
Administration	971,376	960,873	10,503	61,485
Contingency Reserve				
	394,052	-	394,052	-
TOTAL EXPENDITURES	<u>1,365,428</u>	<u>960,873</u>	<u>404,555</u>	<u>61,485</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>61,500</u>	<u>512,515</u>	<u>451,015</u>	<u>(61,484)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	142,000	142,000	-	61,500
Transfers (Out)	(203,500)	(203,500)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(61,500)</u>	<u>(61,500)</u>	<u>-</u>	<u>61,500</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>451,015</u>	<u>\$ 451,015</u>	<u>16</u>
FUND BALANCE, BEGINNING		<u>16</u>		<u>-</u>
FUND BALANCE, ENDING		<u>\$ 451,031</u>		<u>\$ 16</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF MEAD, COLORADO

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2017

With Comparative Totals for December 31, 2016

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>	
	<u>Conservation Trust Fund</u>	<u>Downtown Revitalization Fund</u>	<u>Storm Drainage Fund</u>	<u>Parks & Open Space Fund</u>
ASSETS AND DEFERRED OUTFLOWS				
ASSETS				
Current Assets				
Cash and Investments	\$ 10,048	\$ 57,371	\$ 1,166	\$ 804,873
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ -	\$ -	\$ 1,050	\$ 540
FUND BALANCE				
Restricted Fund Balance	10,048	57,371	116	804,333
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 10,048</u>	<u>\$ 57,371</u>	<u>\$ 1,166</u>	<u>\$ 804,873</u>

See accompanying Independent Auditors' Report.

<u>Total</u>	
<u>2017</u>	<u>2016</u>
<u>\$ 873,458</u>	<u>\$ 803,256</u>
\$ 1,590	\$ 85
<u>871,868</u>	<u>803,171</u>
<u><u>\$ 873,458</u></u>	<u><u>\$ 803,256</u></u>

TOWN OF MEAD, COLORADO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECT FUNDS</u>	
	<u>Conservation Trust Fund</u>	<u>Downtown Revitalization Fund</u>	<u>Storm Drainage Fund</u>	<u>Parks & Open Space Fund</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 31,589	\$ 97,160
Intergovernmental Revenues	43,465	-	-	-
Investment Earnings	44	464	136	5,808
TOTAL REVENUES	<u>43,509</u>	<u>464</u>	<u>31,725</u>	<u>102,968</u>
EXPENDITURES				
Current:				
General Government	-	3,975	-	-
Public Safety	-	-	-	-
Public Works	-	-	37,000	-
Parks, Recreation and Other	-	-	-	744
Capital Outlay	-	-	-	23,250
TOTAL EXPENDITURES	<u>-</u>	<u>3,975</u>	<u>37,000</u>	<u>23,994</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>43,509</u>	<u>(3,511)</u>	<u>(5,275)</u>	<u>78,974</u>
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	-	-	-
Transfers (Out)	(45,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE - GAAP BASIS	<u>(1,491)</u>	<u>(3,511)</u>	<u>(5,275)</u>	<u>78,974</u>
FUND BALANCE, BEGINNING	<u>11,539</u>	<u>60,882</u>	<u>5,391</u>	<u>725,359</u>
FUND BALANCE, ENDING	<u>\$ 10,048</u>	<u>\$ 57,371</u>	<u>\$ 116</u>	<u>\$ 804,333</u>

See accompanying Independent Auditors' Report.

Total	
2017	2016
\$ 128,749	\$ 47,289
43,465	43,571
6,452	4,130
<u>178,666</u>	<u>94,990</u>
3,975	1,453
-	170
37,000	999
744	7,859
<u>23,250</u>	<u>769,748</u>
<u>64,969</u>	<u>780,229</u>
<u>113,697</u>	<u>(685,239)</u>
-	39,004
<u>(45,000)</u>	<u>(35,000)</u>
<u>(45,000)</u>	<u>4,004</u>
68,697	(681,235)
<u>803,171</u>	<u>1,484,406</u>
<u>\$ 871,868</u>	<u>\$ 803,171</u>

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Conservation Trust Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			
	Final		Variance	2016
	Budget	Actual	With Final	Actual
	Budget	Actual	Budget	Actual
REVENUES				
Intergovernmental Revenues				
Cons Trust Fund Revenue	\$ 42,000	\$ 43,465	\$ 1,465	\$ 43,571
Investment Earnings	-	44	44	14
TOTAL REVENUES	42,000	43,509	1,509	43,585
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(45,000)	(45,000)	-	(35,000)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (3,000)</u>	(1,491)	<u>\$ 1,509</u>	8,585
FUND BALANCE, BEGINNING		11,539		2,954
FUND BALANCE, ENDING		<u>\$ 10,048</u>		<u>\$ 11,539</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Municipal Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Final Budget	Actual		
REVENUES				
Taxes				
Special Assessments/Impact Fees	\$ 172,000	\$ 117,039	\$ (54,961)	\$ 68,304
Investment Earnings	<u>11,650</u>	<u>11,238</u>	<u>(412)</u>	<u>4,191</u>
TOTAL REVENUES	<u>183,650</u>	<u>128,277</u>	<u>(55,373)</u>	<u>72,495</u>
EXPENDITURES				
General Government				
Administration	-	1,030	(1,030)	192
Public Safety				
Law Enforcement	-	26,273	(26,273)	-
Capital Outlay				
Other Capital Outlay	1,778,227	542,411	1,235,816	112,109
Contingency Reserve	<u>93,535</u>	<u>-</u>	<u>93,535</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,871,762</u>	<u>569,714</u>	<u>1,302,048</u>	<u>112,301</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>\$ (1,688,112)</u>	<u>(441,437)</u>	<u>\$ 1,246,675</u>	<u>(39,806)</u>
FUND BALANCE, BEGINNING		<u>1,692,058</u>		<u>1,731,864</u>
FUND BALANCE, ENDING		<u>\$ 1,250,621</u>		<u>\$ 1,692,058</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Police Protection Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016
	Final Budget	Actual		Actual
REVENUES				
Taxes				
Special Assessments/Impact Fees	\$ -	\$ -	\$ -	\$ 631
Investment Earnings	-	-	-	136
TOTAL REVENUES	-	-	-	767
EXPENDITURES				
Public Safety				
Law Enforcement	-	-	-	170
Capital Outlay				
Public Safety Capital Outlay	-	-	-	47,925
TOTAL EXPENDITURES	-	-	-	48,095
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	-	<u>\$ -</u>	(47,328)
Budget to GAAP Basis Reconciliation				
Debt Proceeds			-	(39,004)
Capital Outlay			-	39,004
FUND BALANCE, BEGINNING			-	47,328
FUND BALANCE, ENDING		<u>\$ -</u>		<u>\$ -</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Downtown Revitalization Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance With Final Budget	
REVENUES				
Taxes				
Special Assessments/Impact Fees	\$ -	\$ -	\$ -	\$ 2,736
Investment Earnings	422	464	42	166
TOTAL REVENUES	<u>422</u>	<u>464</u>	<u>42</u>	<u>2,902</u>
EXPENDITURES				
General Government				
Administration	-	3,975	(3,975)	1,453
Public Safety				
Other Expenses	5,329	-	5,329	554
Capital Outlay				
General Government Capital Outlay	56,000	-	56,000	-
TOTAL EXPENDITURES	<u>61,329</u>	<u>3,975</u>	<u>57,354</u>	<u>2,007</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (60,907)</u>	<u>(3,511)</u>	<u>\$ 57,396</u>	895
FUND BALANCE, BEGINNING		<u>60,882</u>		<u>59,987</u>
FUND BALANCE, ENDING		<u>\$ 57,371</u>		<u>\$ 60,882</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Storm Drainage Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Final Budget	Actual		
REVENUES				
Taxes				
Special Assessments/Impact Fees	\$ 47,290	\$ 31,589	\$ (15,701)	\$ 5,541
Investment Earnings	35	136	101	59
TOTAL REVENUES	<u>47,325</u>	<u>31,725</u>	<u>(15,600)</u>	<u>5,600</u>
EXPENDITURES				
Public Works				
Drainage	-	37,000	(37,000)	445
Capital Outlay				
Public Works Capital Outlay	-	-	-	4,000
Contingency Reserve	53,931	-	53,931	-
TOTAL EXPENDITURES	<u>53,931</u>	<u>37,000</u>	<u>16,931</u>	<u>4,445</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (6,606)</u>	<u>(5,275)</u>	<u>\$ 1,331</u>	<u>1,155</u>
FUND BALANCE, BEGINNING		5,391		4,236
FUND BALANCE, ENDING		<u>\$ 116</u>		<u>\$ 5,391</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Transportation Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Final Budget	Actual		
REVENUES				
Taxes				
Special Assessments/Impact Fees	\$ 256,610	\$ 121,610	\$ (135,000)	\$ 39,894
Investment Earnings	<u>226</u>	<u>952</u>	<u>726</u>	<u>439</u>
TOTAL REVENUES	<u>256,836</u>	<u>122,562</u>	<u>(134,274)</u>	<u>40,333</u>
EXPENDITURES				
General Government				
Administration	-	-	-	4,586
Capital Outlay				
Other Capital Outlay	100,000	-	100,000	17,918
Contingency Reserve	<u>202,208</u>	<u>-</u>	<u>202,208</u>	<u>-</u>
TOTAL EXPENDITURES	<u>302,208</u>	<u>-</u>	<u>302,208</u>	<u>22,504</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (45,372)</u>	122,562	<u>\$ 167,934</u>	17,829
FUND BALANCE, BEGINNING		<u>33,807</u>		<u>15,978</u>
FUND BALANCE, ENDING		<u>\$ 156,369</u>		<u>\$ 33,807</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Parks & Open Space Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Final Budget	Actual		
REVENUES				
Taxes				
Special Assessments/Impact Fees	\$ 269,450	\$ 97,160	\$ (172,290)	\$ 38,381
Investment Earnings	<u>5,019</u>	<u>5,808</u>	<u>789</u>	<u>3,755</u>
TOTAL REVENUES	<u>274,469</u>	<u>102,968</u>	<u>(171,501)</u>	<u>42,136</u>
EXPENDITURES				
Parks, Recreation and Other				
Parks and Recreation	-	744	(744)	7,859
Capital Outlay				
Other Capital Outlay	816,477	23,250	793,227	678,819
Contingency Reserve	<u>181,877</u>	<u>-</u>	<u>181,877</u>	<u>-</u>
TOTAL EXPENDITURES	<u>998,354</u>	<u>23,994</u>	<u>974,360</u>	<u>686,678</u>
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ (723,885)</u>	<u>78,974</u>	<u>\$ 802,919</u>	<u>(644,542)</u>
FUND BALANCE, BEGINNING		<u>725,359</u>		<u>1,369,901</u>
FUND BALANCE, ENDING		<u>\$ 804,333</u>		<u>\$ 725,359</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

BUDGETARY COMPARISON SCHEDULE

Capital Improvement Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017		Variance With Final Budget	2016 Actual
	Final Budget	Actual		
REVENUES				
Investment Earnings	\$ -	\$ 467	\$ 467	\$ -
EXPENDITURES				
Capital Outlay				
Other Capital Outlay	354,000	14,436	339,564	-
Contingency Reserve	76,584	-	76,584	-
TOTAL EXPENDITURES	<u>430,584</u>	<u>14,436</u>	<u>416,148</u>	<u>-</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(430,584)	(13,969)	416,615	-
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>430,584</u>	<u>430,584</u>	-	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	<u>\$ -</u>	<u>416,615</u>	<u>\$ 416,615</u>	<u>-</u>
FUND BALANCE, BEGINNING		-		-
FUND BALANCE, ENDING		<u>\$ 416,615</u>		<u>\$ -</u>

See accompanying Independent Auditors' Report.

TOWN OF MEAD, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL**

Sewer Fund

FOR THE YEAR ENDED DECEMBER 31, 2017

With Comparative Totals for the Year Ended December 31, 2016

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
Operating Revenues				
Utility Charges	\$ 570,000	\$ 598,701	\$ 28,701	\$ 560,117
Other Charges for Services	16,000	16,933	933	16,683
Total Revenues	<u>586,000</u>	<u>615,634</u>	<u>29,634</u>	<u>576,800</u>
Operating Expenses				
Operations	295,309	284,714	10,595	230,416
Administration	122,306	129,051	(6,745)	248,927
Other Capital Outlay	250,000	85,935	164,065	28,442
Contingency Reserve	998,308	-	998,308	-
Total Expenditures	<u>1,665,923</u>	<u>499,700</u>	<u>1,166,223</u>	<u>507,785</u>
Operating Income (Loss)	<u>(1,079,923)</u>	<u>115,934</u>	<u>1,195,857</u>	<u>69,015</u>
Other Income (Expense)				
Investment Earnings	5,729	6,972	1,243	2,322
Other Revenue	-	-	-	2,480
Debt Service	<u>(213,190)</u>	<u>(161,941)</u>	<u>51,249</u>	<u>(204,391)</u>
Total Other Income (Expense)	<u>(207,461)</u>	<u>(154,969)</u>	<u>52,492</u>	<u>(199,589)</u>
Net Income (Loss), Budget Basis	<u>(1,287,384)</u>	<u>(39,035)</u>	<u>1,248,349</u>	<u>(130,574)</u>
Contributed Capital				
Plant Investment Fees	<u>400,000</u>	<u>174,600</u>	<u>(225,400)</u>	<u>50,000</u>
Change in Net Position (Budget Basis)	<u>\$ (887,384)</u>	<u>135,565</u>	<u>\$ 1,022,949</u>	<u>(80,574)</u>
Budget to GAAP Reconciliation				
Principal Paid		100,077		130,000
Depreciation Expense		(234,551)		(228,303)
Capital Outlay		<u>85,935</u>		<u>28,442</u>
Change in Net Position - GAAP Basis		87,026		(150,435)
Net Position, Beginning		<u>4,225,443</u>		<u>4,375,878</u>
Net Position, Ending		<u>\$ 4,312,469</u>		<u>\$ 4,225,443</u>

See accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Mead
		YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of _) Town of Mead	Prepared By: Denise Rademacher	Phone: 970-805-4191

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	291,632
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	118,680
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	17,815
2. General fund appropriations	472,162	b. Snow and ice removal	32,581
3. Other local imposts (from page 2)	292,225	c. Other	31,147
4. Miscellaneous local receipts (from page 2)	27,112	d. Total (a. through c.)	81,543
5. Transfers from toll facilities	0	4. General administration & miscellaneous:	209,090
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	239,905
a. Bonds - Original Issues	0	6. Total (1 through 5)	940,851
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	791,499	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	233,616	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	7,204
E. Total receipts (A.7 + B + C + D)	1,025,115	b. Redemption	77,060
		c. Total (a. + b.)	84,264
		3. Total (1.c + 2.c)	84,264
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,025,115

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)	73,590	248,356	77,060	244,886

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,025,115	1,025,115		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	51,615	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	27,112
5. Specific Ownership &/or Other	240,610	g. Other Misc. Receipts	0
6. Total (1. through 5.)	292,225	h. Other	0
c. Total (a. + b.)	292,225	i. Total (a. through h.)	27,112
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	209,322	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	24,294	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	24,294	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	233,616	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		291,632	291,632
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	291,632	291,632
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	291,632	291,632
			(Carry forward to page 1)

Notes and Comments: