

TOWN OF MEAD, COLORADO
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021



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YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Town Board
Town of Mead
Mead, Colorado

Report on the Audit of the Financial Statements

Opinions

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 (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Highway Finance Report but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

Broomfield, Colorado
July 15, 2022

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

This discussion and analysis of the financial performance of the Town of Mead, Colorado (Town) provides an overview of the Town's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Net Position of the Town increased by \$8,172,148 (23.4%) during 2021.
- At December 31, 2021, the Town's governmental funds reported combined ending fund balances of \$21,794,579. This marked an increase of \$3,905,619 (21.8%) from the prior year's ending governmental fund balances due primarily to increases in the General Fund, Mead Urban Renewal Authority (MURA) Fund, Municipal Facilities Fund, and Transportation Fund.
- The Town's Sewer Fund's net position increased by \$143,770 (3.0%) during 2021 primarily due to an increase in charges for services and plant investment fees.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town of Mead's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

Both of the government-wide financial statements distinguish functions of the Town of Mead that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety (police), public works, and parks and recreation. The business-type activities of the Town include sewage collection and treatment operations.

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Mead, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds – Most of the Town's basic services are reported in governmental funds that focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Town of Mead maintains eleven individual governmental funds. Information for these funds is presented by fund name in the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for four of the eleven governmental funds that meet the criteria to be designated as major funds (General Fund, Municipal Facilities Fund, Transportation Fund, and MURA Fund). The other governmental funds (Capital Improvement Fund, Conservation Trust Fund, Art in Public Places, and four Impact Fee Funds for Downtown Revitalization, Storm Drainage, Parks & Open Space, and Police Impact) are shown in a column titled "Nonmajor Governmental Funds." Individual fund data for these nonmajor governmental funds are provided in the back of this report following the "Notes to Financial Statements."

Proprietary Fund – The Town's sewer utility is reported in a proprietary fund; it focuses on overall economic position rather than year-end fund balances. An enterprise fund is the type of proprietary fund used to account for the Town's Sewer Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, but in a bit more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the basic financial statements.

Other information

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted budgets and appropriations. For the year ended December 31, 2021, all funds had budgeted expenditures/expenses.

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Mead, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$43,091,358 at the close of 2021. As shown below, the Town's financial position improved by \$8,172,148 (23.4%) during 2021.

Town of Mead's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 28,983,522	\$ 23,591,129	\$ 1,284,372	\$ 1,110,538	\$ 30,267,894	\$ 24,701,667
Capital Assets, Net	16,582,462	12,401,663	5,378,002	5,490,570	21,960,464	17,892,233
Total Assets	<u>45,565,984</u>	<u>35,992,792</u>	<u>6,662,374</u>	<u>6,601,108</u>	<u>52,228,358</u>	<u>42,593,900</u>
Deferred Outflows of Resources	285,297	241,321	-	-	285,297	241,321
Current Liabilities	3,353,707	2,289,523	44,943	50,751	3,398,650	2,340,274
Noncurrent Liabilities	454,018	361,343	1,610,816	1,687,512	2,064,834	2,048,855
Total Liabilities	<u>3,807,725</u>	<u>2,650,866</u>	<u>1,655,759</u>	<u>1,738,263</u>	<u>5,463,484</u>	<u>4,389,129</u>
Deferred Inflows of Resources	3,958,813	3,526,882	-	-	3,958,813	3,526,882
Net Position:						
Net Investment in Capital Assets	15,861,458	12,189,278	3,776,256	3,810,879	19,637,714	16,000,157
Restricted	11,260,869	4,642,435	151,444	142,060	11,412,313	4,784,495
Unrestricted	10,962,416	13,224,652	1,078,915	909,906	12,041,331	14,134,558
Total Net Position	<u>\$ 38,084,743</u>	<u>\$ 30,056,365</u>	<u>\$ 5,006,615</u>	<u>\$ 4,862,845</u>	<u>\$ 43,091,358</u>	<u>\$ 34,919,210</u>

45.6% of the Town's total net position at December 31, 2021 is represented by its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment). The Town uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending.

Approximately 26.5% (\$11,412,313) of the Town's total net position at the end of 2021 represents resources that are subject to external restrictions on how they may be used. They are net position restrictions of impact fees collected for future capital needs (\$10,798,546), an operations and maintenance reserve for the sewer fund (\$151,444), conservation trust fund revenues for parks and certain recreation purposes (\$64,323), and \$398,000 for emergencies.

The remaining amount of the Town's total net position at the end of 2021 (\$12,041,331) represents 27.9% of total net position and may be used to meet the Town's other ongoing obligations to residents and creditors.

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The following chart displays the changes in net position experienced by the Town over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type Activities.

Town of Mead's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$ 2,546,089	\$1,448,789	\$ 833,165	\$ 727,221	\$ 3,379,254	\$ 2,176,010
Operating Grants and Contributions	682,270	705,698	-	-	682,270	705,698
Capital Grants and Contributions	58,750	628,419	284,701	277,653	343,451	906,072
General Revenues:						
Property Taxes	3,429,903	4,537,133	-	-	3,429,903	4,537,133
Sales and Use Taxes	4,138,571	3,647,291	-	-	4,138,571	3,647,291
Other Taxes	207,560	189,766	-	-	207,560	189,766
Investment Income	12,587	83,871	433	5,330	13,020	89,201
Other General Revenues	4,674,561	2,015,804	-	-	4,674,561	2,015,804
Total Revenues	<u>15,750,291</u>	<u>13,256,771</u>	<u>1,118,299</u>	<u>1,010,204</u>	<u>16,868,590</u>	<u>14,266,975</u>
Program Expenses:						
General Government	3,023,756	3,238,152	-	-	3,023,756	3,238,152
Community Development	985,641	-	-	-	985,641	-
Public Safety	1,613,247	1,294,275	-	-	1,613,247	1,294,275
Public Works	1,437,601	2,363,030	-	-	1,437,601	2,363,030
Parks and Recreation	780,884	594,082	-	-	780,884	594,082
Sewer Utility	-	-	849,529	784,173	849,529	784,173
Interest on Long-Term Debt	5,784	2,128	-	-	5,784	2,128
Total Expenses	<u>7,846,913</u>	<u>7,491,667</u>	<u>849,529</u>	<u>784,173</u>	<u>8,696,442</u>	<u>8,275,840</u>
Transfers	125,000	25,000	(125,000)	(25,000)	-	-
Increase (Decrease) in Net Position	8,028,378	5,790,104	143,770	201,031	8,172,148	5,991,135
Net Position - Beginning	<u>30,056,365</u>	<u>24,266,261</u>	<u>4,862,845</u>	<u>4,661,814</u>	<u>34,919,210</u>	<u>28,928,075</u>
Net Position - Ending	<u>\$ 38,084,743</u>	<u>\$ 30,056,365</u>	<u>\$ 5,006,615</u>	<u>\$ 4,862,845</u>	<u>\$ 43,091,358</u>	<u>\$ 34,919,210</u>

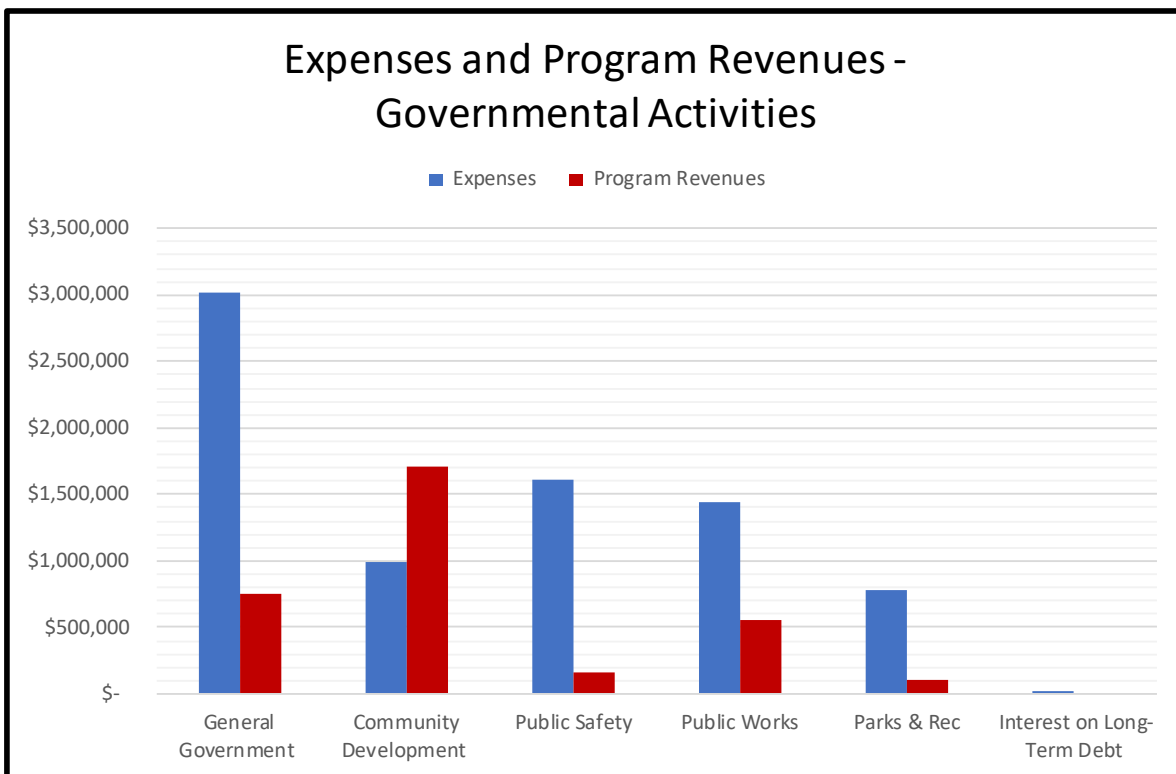
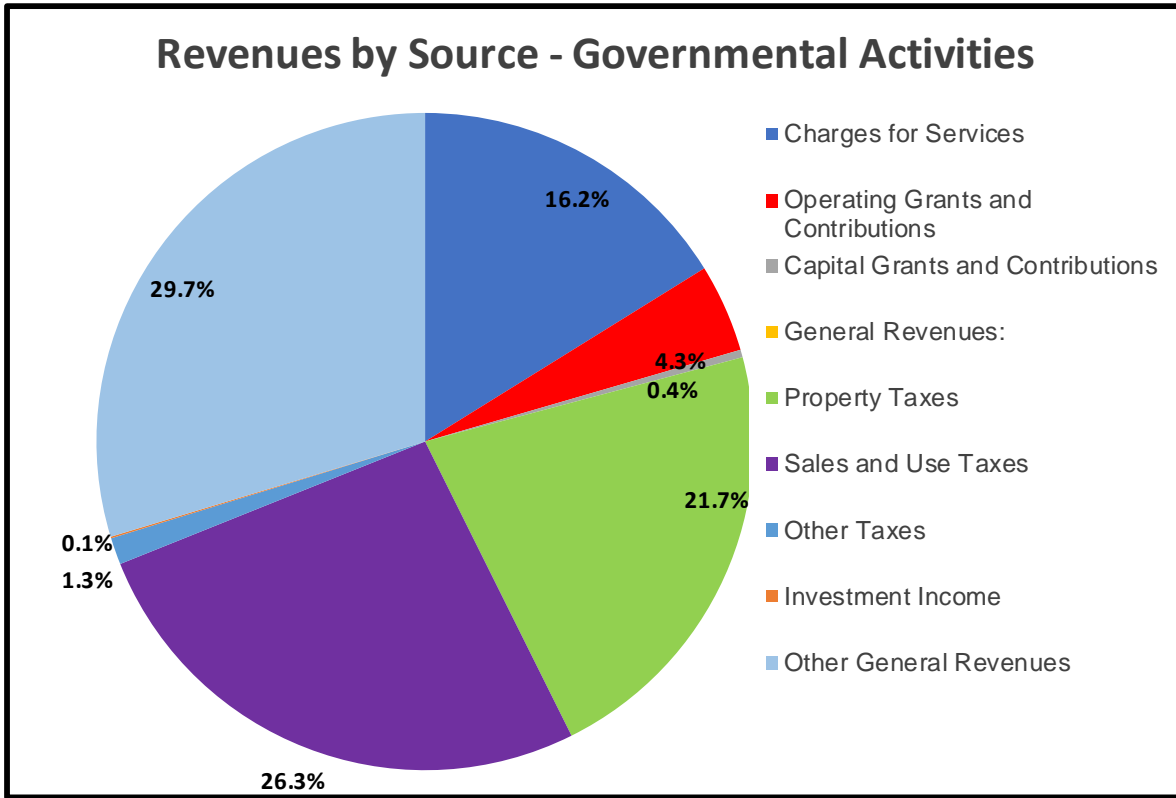
Governmental Activities

The Town's Governmental Activities increased in net position by \$8,028,378 (26.7%) in 2021. Key elements of this increase are as follows:

- Charges for services increased by \$1,097,300 due to building permit fees, oil and gas royalties, and new development charges.
- Property taxes decreased by \$1,107,230 due to a reduction in the Town's gross assessed valuation primary due to curtailment of certain oil and gas operations.
- Sales and use taxes increased by \$491,280 due to a growth in the tax base and increases in online shopping due to impacts of COVID-19; the tax rate (2.00%) stayed the same.
- Other general revenues primarily related to impact fees increased by \$2,648,361 due to a growth in new property developments.

The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

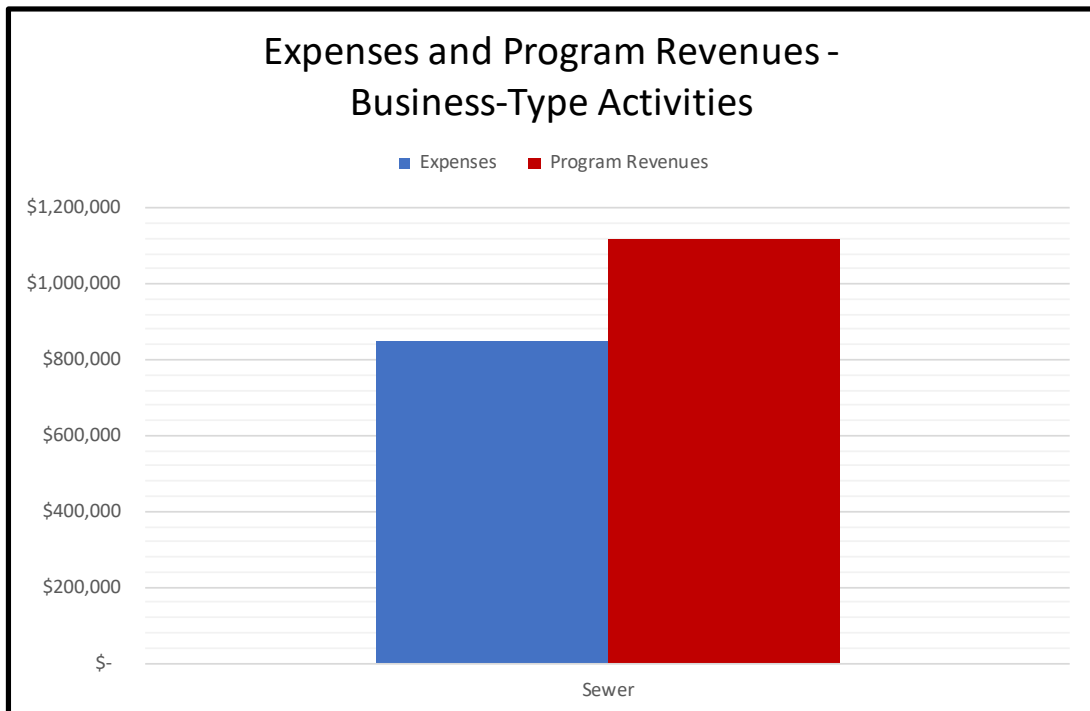
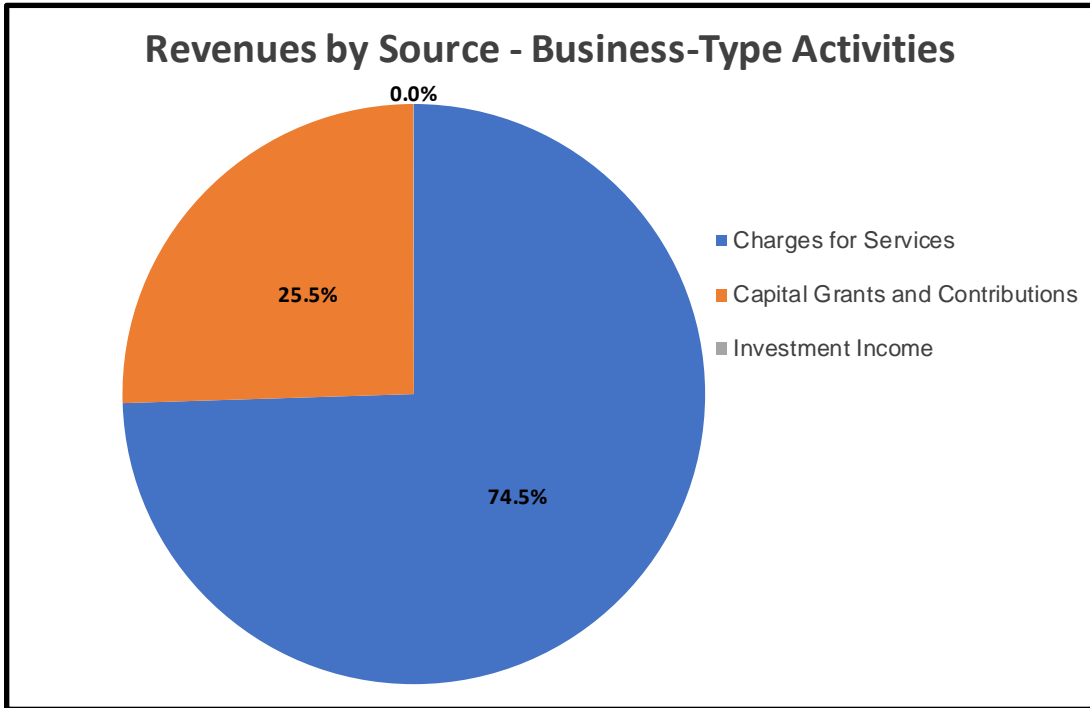


**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Business-type Activities

Business-type Activities increased in net position by \$143,770 (3.0%) during 2021. Operating revenues exceeded operating expenses in the Sewer Fund by \$34,766.

The following two charts illustrate the Business-type Activities revenues and expenses for 2021.

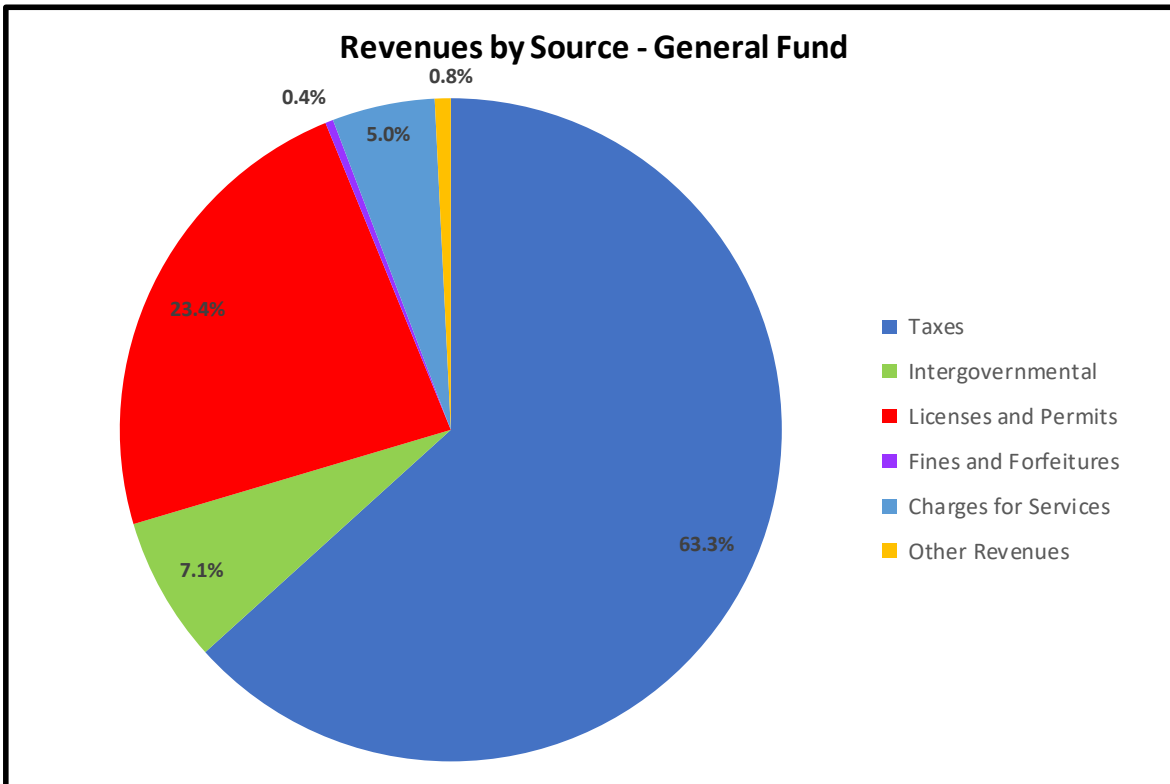


**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

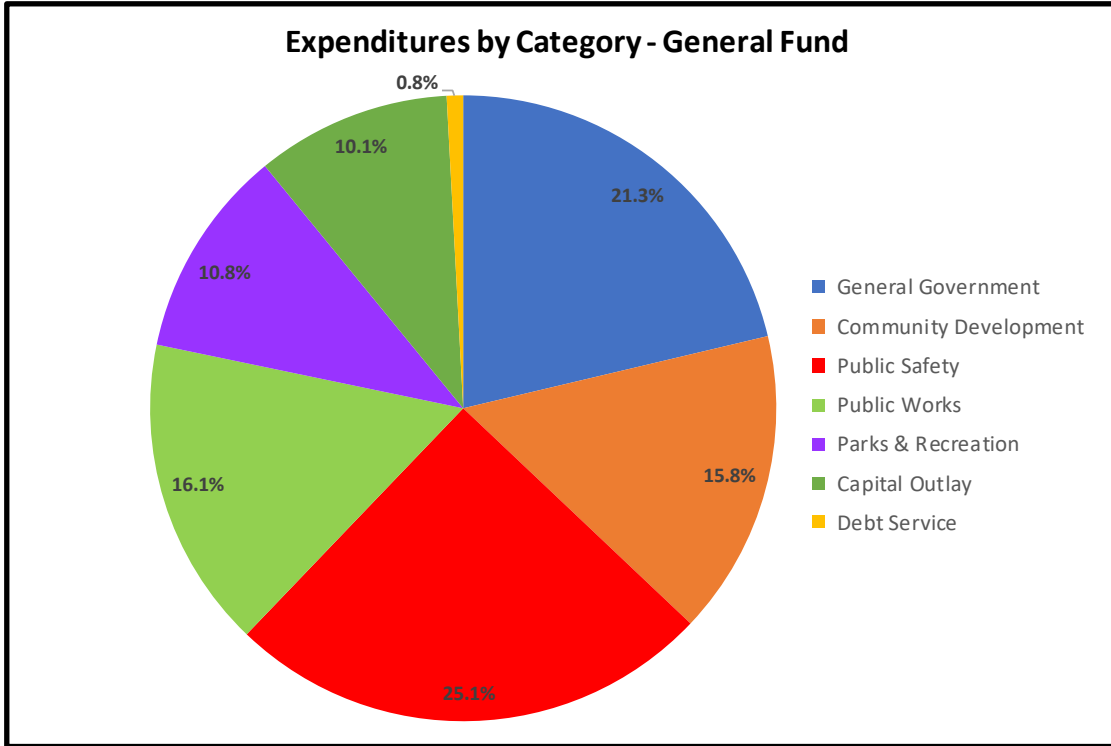
THE TOWN'S FUNDS

As noted earlier, the Town of Mead uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2021 the Town's four major Governmental funds reported combined ending fund balances of \$18,718,639. These funds are discussed below.

General Fund. The General Fund is the chief operating fund of the Town of Mead. It accounts for all the general services provided by the Town. At the end of 2021, the fund balance of the General Fund totaled \$6,481,616. This was a \$1,041,630 (19.1%) increase from 2020 primarily due to an increase in licenses and permit fees. The following two tables illustrate General Fund revenues and expenditures during 2021.



**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**



Mead Urban Renewal Authority (MURA) Fund. This fund is utilized to account for the property tax increment received from the taxing jurisdictions within the Authority boundaries and the capital projects and/or development expenses it incurs to stimulate urban renewal. Much of its revenue is shared with overlapping jurisdictions. Fund revenues exceeded fund expenditures by \$637,218 in 2021.

Municipal Facilities Fund. The Municipal Facilities Fund is utilized to accumulate Impact Fees paid by new development for capital improvements and equipment necessitated by growth. During 2021, the Fund also received transfers from the Capital Improvement Fund and Sewer Fund of \$3,868,821 and \$125,000, respectively. Expenditures were made for construction of a new Public Works facility, Town Hall improvements, two dump trucks, and other public works vehicles and equipment.

Transportation Fund. The Transportation Fund is utilized to accumulate Impact Fees paid by new development for transportation infrastructure improvements necessitated by growth. During 2021, the Fund also received transfers from the General Fund and Capital Improvement Fund of \$1,535,445 and \$407,550 respectively. Expenditures were made for construction of improvements to/extension of 3rd Street & its trail, and engineering design for improvements to the 3rd St. and Welker intersection.

Sewer Fund. At December 31, 2021 the net position of the Sewer Fund was \$5,006,615. This was an increase of \$143,770 (3.0%) over 2020. The net operating income was \$34,766, and debt service payments of \$130,154 were made during the year.

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2021 the Town had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, sewer system lines and treatment plants, infrastructure, and park equipment. Note 3 of these financial statements provides a summary of changes in capital assets during the year. In 2021, the Town purchased a dump truck, bookkeeping software, a generator, a welder, police evidence containment equipment, and buildings and property for future municipal uses. The Town made improvements to the Town Board Room/Municipal Courtroom, and updated carpet and modified the stairway at Town Hall. Significant wayfinding signage and some street lighting enhancements were installed. Construction projects were continued or completed including street and trail improvements along 3rd Street, Highland Lake improvements, and construction of a new Public Works Facility.

Debt Administration. The Town's long-term debt primarily consists of a loan and capital leases. Compensated absences are also recorded. At the end of 2021, the governmental activities had a balance of \$122,107 owed on a 2020 capital lease for a dump truck and \$160,394 owed on a 2021 capital lease for a dump truck. See Note 4 for more detailed information.

In business-type activities at December 31, 2021, the Town had a balance of \$1,547,990 owed on its 2007 loan from the Colorado Water Resources & Power Development Authority. This debt was incurred to finance a wastewater treatment system project. See Note 4 for more detailed information.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2021 adopted budget was considered a balanced budget with estimated revenues of \$7,213,972 and estimated expenditures of \$7,213,972. The budget was modified in July to reflect the purchase of property adjacent to the intersection of 3rd and Welker Streets in Mead and for procurement of signage through the Main Street Grant program as part of the Wayfinding Signage and Implementation Plan. The final budget reflected an increase from the original adopted budget of \$569,999 for capital outlay expenditures.

Actual results for 2021 in the General Fund was a surplus of \$1,041,630. Revenues exceeded budget in most categories, particularly with favorable outcomes in taxes, charges for services, and licenses and permits. Fiscal year 2021 final budgeted current expenditures for the General Fund totaled \$6,671,653, while actual current expenditures totaled \$5,566,737. For capital outlay, final budgeted expenditures totaled \$1,059,499, while actual capital outlay expenditures totaled \$628,969.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Continued measurable growth in the residential and commercial sectors of Mead's economy is occurring. The 2022 Budget anticipates a continued healthy fund balance in the General Fund due to its revenues impacted by growth, such as sales taxes, property taxes, and building/development fees.

Beginning in March 2020 and continuing into 2021, the State of Colorado imposed lengthy restrictions on businesses, recreation, and places of worship with the stated purpose of slowing the spread of the Coronavirus so that hospital facilities would not be overwhelmed with patients. The Town was economically impacted by these restrictions. Sales and use taxes increased by 13.5% over 2020 as proceeds from residents' and local businesses' on-line purchases expanded. Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact of these federal- and state-imposed policies and restrictions on the Town's 2022 and future budgets has yet to be determined. Management will continue to monitor the economic factors affecting the Town, to budget conservatively, and to amend adopted budgets if necessary.

**TOWN OF MEAD, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

REQUESTS FOR INFORMATION

This financial report is designed to provide the Town of Mead's residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the Town's management at Town of Mead, 441 Third Street, P.O. Box 626, Mead, CO 80542 or call Town Hall at (970) 535-4477.

BASIC FINANCIAL STATEMENTS

TOWN OF MEAD, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 24,155,109	\$ 1,196,749	\$ 25,351,858
Accounts Receivable	983,047	87,174	1,070,221
Property Taxes Receivable	3,663,273	-	3,663,273
Deposits	1,500	-	1,500
Prepaid Expenses	8,630	449	9,079
Net Pension Asset	171,963	-	171,963
Capital Assets, Not Being Depreciated	6,147,951	300,629	6,448,580
Capital Assets, Net of Accumulated Depreciation	10,434,511	5,077,373	15,511,884
Total Assets	<u>45,565,984</u>	<u>6,662,374</u>	<u>52,228,358</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	285,297	-	285,297
LIABILITIES			
Accounts Payable	735,857	17,888	753,745
Accrued Interest Payable	-	22,510	22,510
Accrued Salaries	89,828	4,545	94,373
Deposits	1,947,395	-	1,947,395
Unearned Revenue	580,627	-	580,627
Noncurrent Liabilities:			
Due Within One Year	77,757	81,464	159,221
Due in More Than One Year	376,261	1,529,352	1,905,613
Total Liabilities	<u>3,807,725</u>	<u>1,655,759</u>	<u>5,463,484</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,663,273	-	3,663,273
Pension Related Amounts	295,540	-	295,540
Total Deferred Inflows of Resources	<u>3,958,813</u>	<u>-</u>	<u>3,958,813</u>
NET POSITION			
Net Investment in Capital Assets	15,861,458	3,776,256	19,637,714
Restricted for:			
Emergencies	398,000	-	398,000
Conservation Trust	64,323	-	64,323
Downtown Revitalization	32,133	-	32,133
Municipal Facilities	5,313,196	-	5,313,196
Transportation	3,405,249	-	3,405,249
Storm Drainage	110,872	-	110,872
Parks and Open Space	1,804,624	-	1,804,624
Police Impact	132,472	-	132,472
Operations and Maintenance	-	151,444	151,444
Unrestricted	10,962,416	1,078,915	12,041,331
Total Net Position	<u>\$ 38,084,743</u>	<u>\$ 5,006,615</u>	<u>\$ 43,091,358</u>

See accompanying Notes to Financial Statements.

**TOWN OF MEAD, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 3,023,756	\$ 558,047	\$ 197,966	\$ -	\$ (2,267,743)	\$ -	\$ (2,267,743)
Community Development	985,641	1,715,896	-	-	730,255	-	730,255
Public Safety	1,613,247	154,092	445	-	(1,458,710)	-	(1,458,710)
Public Works	1,437,601	73,113	424,305	58,750	(881,433)	-	(881,433)
Parks and Recreation	780,884	44,941	59,554	-	(676,389)	-	(676,389)
Interest on Long-Term Debt	5,784	-	-	-	(5,784)	-	(5,784)
Total Governmental Activities	7,846,913	2,546,089	682,270	58,750	(4,559,804)	-	(4,559,804)
Business-Type Activities							
Sewer	849,529	833,165	-	284,701	-	268,337	268,337
Total Business-Type Activities	849,529	833,165	-	284,701	-	268,337	268,337
Total Primary Government	<u>\$ 8,696,442</u>	<u>\$ 3,379,254</u>	<u>\$ 682,270</u>	<u>\$ 343,451</u>	<u>(4,559,804)</u>	<u>268,337</u>	<u>(4,291,467)</u>
General Revenues							
Property Taxes					3,360,055	-	3,360,055
Specific Ownership Taxes					69,848	-	69,848
Sales and use Taxes					4,138,571	-	4,138,571
Franchise Fees					207,560	-	207,560
Impact Fees					4,583,665	-	4,583,665
Investment Income					12,587	433	13,020
Miscellaneous					63,593	-	63,593
Gain on Sale of Capital Assets					9,803	-	9,803
Insurance Recoveries					17,500	-	17,500
Transfers					125,000	(125,000)	-
Total General Revenues					<u>12,588,182</u>	<u>(124,567)</u>	<u>12,463,615</u>
Change in Net Position					8,028,378	143,770	8,172,148
Net Position - Beginning of Year					<u>30,056,365</u>	<u>4,862,845</u>	<u>34,919,210</u>
Net Position - End of Year					<u>\$ 38,084,743</u>	<u>\$ 5,006,615</u>	<u>\$ 43,091,358</u>

See accompanying Notes to Financial Statements.

**TOWN OF MEAD, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Mead Urban Renewal Authority	Municipal Facilities	Transportation	Nonmajor Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 8,482,878	\$ 3,532,141	\$ 5,491,972	\$ 3,484,607	\$ 3,163,511	\$ 24,155,109
Property Taxes Receivable	1,243,835	2,419,438	-	-	-	3,663,273
Prepaid Expenditures	8,630	-	-	-	-	8,630
Accounts Receivable	964,672	1,443	16,932	-	-	983,047
Deposits	1,500	-	-	-	-	1,500
Total Assets	<u>\$ 10,701,515</u>	<u>\$ 5,953,022</u>	<u>\$ 5,508,904</u>	<u>\$ 3,484,607</u>	<u>\$ 3,163,511</u>	<u>\$ 28,811,559</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 364,045	\$ 9,174	\$ 195,708	\$ 79,359	\$ 87,571	\$ 735,857
Accrued Salaries	83,995	5,833	-	-	-	89,828
Deposits	1,947,395	-	-	-	-	1,947,395
Unearned Revenue	580,627	-	-	-	-	580,627
Total Liabilities	<u>2,976,062</u>	<u>15,007</u>	<u>195,708</u>	<u>79,359</u>	<u>87,571</u>	<u>3,353,707</u>
Deferred Inflows of Resources						
Property Taxes	1,243,835	2,419,438	-	-	-	3,663,273
Fund Balances:						
Nonspendable	8,630	-	-	-	-	8,630
Restricted for						
Emergencies	398,000	-	-	-	-	398,000
Conservation Trust	-	-	-	-	64,323	64,323
Downtown Revitalization	-	-	-	-	32,133	32,133
Municipal Facilities	-	-	5,313,196	-	-	5,313,196
Transportation	-	-	-	3,405,249	-	3,405,249
Storm Drainage	-	-	-	-	110,872	110,872
Parks and Open Space	-	-	-	-	1,804,624	1,804,624
Police Impact	-	-	-	-	132,472	132,472
Assigned to						
Urban Renewal Projects	-	3,518,578	-	-	-	3,518,578
Future Projects	-	-	-	-	931,516	931,516
Unassigned	6,074,986	-	-	-	-	6,074,986
Total Fund Balances	<u>6,481,616</u>	<u>3,518,578</u>	<u>5,313,196</u>	<u>3,405,249</u>	<u>3,075,940</u>	<u>21,794,579</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances						
	<u>\$ 10,701,513</u>	<u>\$ 5,953,023</u>	<u>\$ 5,508,904</u>	<u>\$ 3,484,608</u>	<u>\$ 3,163,511</u>	<u>\$ 28,811,559</u>

See accompanying Notes to Financial Statements.

TOWN OF MEAD, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Fund Balances for Governmental Funds \$ 21,794,579

Total net position reported for governmental activities in the statement of net position is different because:

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

Capital Assets, Not Being Depreciated	\$ 6,147,951	
Capital Assets, Being Depreciated	16,038,098	
Less Accumulated Depreciation	<u>(5,603,587)</u>	16,582,462

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.

Net Pension Asset	171,963	
Deferred Outflows of Resources Related to Pensions	285,297	
Deferred Inflows of Resources Related to Pensions	<u>(295,540)</u>	161,720

Long-term liabilities are not reported in governmental funds.

Capital Leases Payable	(282,501)	
Accrued Compensated Absences	<u>(171,517)</u>	<u>(454,018)</u>

Total Net Position of Governmental Activities \$ 38,084,743

TOWN OF MEAD, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Mead Urban Renewal Authority	Municipal Facilities	Transportation	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	\$ 5,569,550	\$ 2,206,484	\$ -	\$ -	\$ -	\$ 7,776,034
Impact Fees	-	-	1,471,408	1,985,071	1,127,186	4,583,665
Intergovernmental	625,466	-	-	-	56,804	682,270
Licenses and Permits	2,059,245	-	-	-	-	2,059,245
Fines and Forfeitures	34,105	-	-	-	-	34,105
Charges for Services	441,414	11,325	-	-	-	452,739
Capital Contributions	-	-	24,175	34,575	-	58,750
Investment Income	4,924	1,931	1,875	1,059	2,798	12,587
Miscellaneous	63,593	-	-	-	-	63,593
Total Revenues	<u>8,798,297</u>	<u>2,219,740</u>	<u>1,497,458</u>	<u>2,020,705</u>	<u>1,186,788</u>	<u>15,722,988</u>
EXPENDITURES						
Current:						
General Government	1,330,572	1,532,621	-	-	-	2,863,193
Community Development	985,641	-	-	-	-	985,641
Public Safety	1,567,508	-	-	-	19,677	1,587,185
Public Works	1,006,639	-	41,758	-	-	1,048,397
Parks and Recreation	676,377	-	-	-	3,517	679,894
Capital Outlay	628,969	49,901	1,981,874	1,688,877	520,073	4,869,694
Debt Service:						
Principal	51,991	-	81,530	-	-	133,521
Interest	828	-	4,956	-	-	5,784
Total Expenditures	<u>6,248,525</u>	<u>1,582,522</u>	<u>2,110,118</u>	<u>1,688,877</u>	<u>543,267</u>	<u>12,173,309</u>
Excess of Revenues Over (Under) Expenditures	2,549,772	637,218	(612,660)	331,828	643,521	3,549,679
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	3,993,821	1,942,995	-	5,936,816
Transfers Out	(1,535,445)	-	-	-	(4,276,371)	(5,811,816)
Sale of Capital Assets	9,803	-	-	-	-	9,803
Insurance Recoveries	17,500	-	-	-	-	17,500
Issuance of Capital Leases	-	-	203,637	-	-	203,637
Total Other Financing Sources (Uses)	<u>(1,508,142)</u>	<u>-</u>	<u>4,197,458</u>	<u>1,942,995</u>	<u>(4,276,371)</u>	<u>355,940</u>
NET CHANGE IN FUND BALANCES	1,041,630	637,218	3,584,798	2,274,823	(3,632,850)	3,905,619
Fund Balances - Beginning of Year	<u>5,439,986</u>	<u>2,881,360</u>	<u>1,728,398</u>	<u>1,130,426</u>	<u>6,708,790</u>	<u>17,888,960</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,481,616</u>	<u>\$ 3,518,578</u>	<u>\$ 5,313,196</u>	<u>\$ 3,405,249</u>	<u>\$ 3,075,940</u>	<u>\$ 21,794,579</u>

See accompanying Notes to Financial Statements.

TOWN OF MEAD, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 3,905,619

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

Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital Outlays	\$ 4,869,694	
Depreciation Expense	<u>(688,895)</u>	4,180,799

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Net Pension Liability	136,035	
Change in Deferred Outflows of Resources Related to Pensions	43,976	
Change in Deferred Inflows of Resources Related to Pensions	<u>(145,376)</u>	34,635

Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position:

Capital Leases		(203,637)
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Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.

Principal Payments on Capital Leases		133,521
Change in Accrued Compensated Absences		<u>(22,559)</u>

Change in Net Position of Governmental Activities		<u><u>\$ 8,028,378</u></u>
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**TOWN OF MEAD, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021**

	Sewer
ASSETS	
Current Assets:	
Cash and Investments	\$ 1,196,749
Receivables:	
Utility	87,007
Other	167
Prepaid Expenses	449
Total Current Assets	1,284,372
Noncurrent Assets:	
Capital Assets, Not Being Depreciated	300,629
Capital Assets, Net of Accumulated Depreciation	5,077,373
Total Noncurrent Assets	5,378,002
Total Assets	\$ 6,662,374
LIABILITIES	
Current Liabilities:	
Accounts Payable	17,888
Accrued Salaries and Benefits	4,545
Accrued Interest Payable	22,510
Compensated Absences, Current Portion	907
Notes Payable, Current Portion	80,557
Total Current Liabilities	126,407
Noncurrent Liabilities:	
Compensated Absences	8,163
Notes Payable	1,521,189
Total Noncurrent Liabilities	1,529,352
Total Liabilities	1,655,759
NET POSITION	
Net Investment in Capital Assets	3,776,256
Restricted for Operations and Maintenance	151,444
Unrestricted	1,078,915
Total Net Position	\$ 5,006,615

See accompanying Notes to Financial Statements.

TOWN OF MEAD, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2021

	Sewer
OPERATING REVENUES	
Charges for Services	\$ 815,041
Miscellaneous	18,124
Total Operating Revenues	833,165
OPERATING EXPENSES	
Operations	300,522
Administration	219,842
Depreciation	278,035
Total Operating Expenses	798,399
OPERATING INCOME	34,766
NONOPERATING REVENUES (EXPENSES)	
Investment Income	433
Interest Expense	(51,130)
Total Nonoperating Revenues (Expenses)	(50,697)
LOSS BEFORE CONTRIBUTED CAPITAL AND TRANSFERS	(15,931)
CONTRIBUTED CAPITAL	
Plant Investment Fees	284,701
TRANSFERS OUT	(125,000)
CHANGE IN NET POSITION	143,770
Net Position - Beginning of Year	4,862,845
NET POSITION - END OF YEAR	\$ 5,006,615

See accompanying Notes to Financial Statements.

**TOWN OF MEAD, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2021**

	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 840,852
Cash Paid to Suppliers	(397,026)
Cash Paid to Employees	(126,637)
Net Cash Provided by Operating Activities	317,189
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	433
Net Cash Provided by Investing Activities	433
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Paid to Other Funds	(125,000)
Tap Fees Received	284,701
Acquisition and Construction of Capital Assets	(165,467)
Debt Principal Payments	(74,182)
Debt Interest Payments	(55,972)
Net Cash Used by Capital and Related Financing Activities	(135,920)
NET CHANGE IN CASH AND CASH EQUIVALENTS	181,702
Cash and Cash Equivalents - Beginning of Year	1,015,047
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,196,749
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 34,766
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	278,035
Changes in Operating Assets and Liabilities:	
Utility Receivable	7,854
Other Receivables	(167)
Prepaid Expenses	181
Accounts Payable	(6,530)
Accrued Salaries and Benefits	1,801
Compensated Absences	1,249
Net Cash Provided by Operating Activities	\$ 317,189

See accompanying Notes to Financial Statements.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Mead, Colorado, (the Town), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Town are described below:

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town.

Based on 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). The component unit is reported as a fund of the Town and separate financial statements are not issued.

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 activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. 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. Internally dedicated resources are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual funds are reported as separate columns in the fund financial statements.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, billed accounts and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

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

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

The *Mead Urban Renewal Authority Fund* accounts for operations of the Mead Urban Renewal Authority (MURA) component unit. The revenues are derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Municipal Facilities Fund* is a special revenue fund to account for capital improvements and equipment needed due to increases in the Town's population and businesses, and is primarily funded through impact fees and interfund transfers.

The *Transportation Fund* is a special revenue fund to account for street and road capital improvement projects needed due to increases in the Town's population and businesses, and is primarily funded through impact fees, developer payments in lieu of construction, and interfund transfers.

Additionally, the Town reports the following major proprietary fund:

The *Sewer Fund* was established to account for the acquisition, operation and maintenance of the Town's sewage treatment plant and infrastructure.

Assets, Liabilities, and Net Position/Fund Balance

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets

Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	30 to 40 Years
Plant	40 Years
Sewer Main	20 to 25 Years
Machinery, Equipment and Vehicles	3 to 20 Years
Infrastructure	25 Years
Improvements	20 to 25 Years

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Deferred Outflows and Inflows of Resources

The Town has certain items related to its pension plan that qualify for reporting as a deferred outflow of resources and a deferred inflow of resources. See Note 7 for more information.

In addition, deferred inflows of resources include property taxes levied for a subsequent year.

Compensated Absences

Employees of the Town are allowed to accumulate unused paid time off (PTO) for up to 1.5 times their annual rate of accrual. Upon termination or resignation of employment from the Town, an employee will be compensated for all accrued PTO. Accumulated, unpaid PTO is accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental fund financial statements only when payment is due.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest rate method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financial uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Net Position/Fund Balance

In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed.

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes prepaid expenditures.

Governmental funds report committed fund balances when the Town formally commits resources for a specific purpose through passage of a resolution or approval of contractual agreements with third parties. No amounts were reported as committed at year-end.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

**TOWN OF MEAD, COLORADO
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Net Position/Fund Balance (Continued)

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

The Town Board is authorized to informally assign amounts to a specific purpose and has assigned this authority to the Town Manager or other designee. Such fund balance assignments are reported in the governmental fund financial statements.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis.

NOTE 2 CASH AND INVESTMENTS

At December 31, 2021, cash and investments consisted of the following:

Petty Cash	\$ 550
Cash Deposits	1,622,381
Investments	<u>23,728,927</u>
Total	<u><u>\$ 25,351,858</u></u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 25,351,858
Total	<u><u>\$ 25,351,858</u></u>

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2021, balances in excess of federal insurance limits and covered by PDPA were \$643,215.

Investments

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

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' 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
- Certificates of deposits

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

Interest Rate Risk

State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk

State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations. At December 31, 2021, the Town's investment of \$8,612,269 in the Colorado Local Government Liquid Asset Trust (Colotrust), \$3,055,819 in the Colorado Statewide Investment Pool (CSIP), and \$12,060,839 in the Colorado Surplus Asset Fund Trust (CSAFE) were all rated AAAM by Standard and Poor's.

Concentration of Credit Risk

State statutes do not limit the amount the Town may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pools

At December 31, 2021, the Town had a total of \$23,728,927 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Statewide Investment Pool (CSIP). The Town's investment in ColoTrust Plus and ColoTrust Prime is measured at net asset value, equal to \$1.00 per share. The Town's investment in CSAFE CORE is measured at net asset value, equal to \$2.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The Town's investment in CSIP Liquid Portfolio is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72. The pools are an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CAPITAL ASSETS

Capital asset governmental activity for the year ended December 31, 2021, is summarized below.

	Beginning of Year	Additions	Deletions	End of Year
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,658,885	\$ -	\$ -	\$ 2,658,885
Water Rights	73,095	-	-	73,095
Construction Progress	554,913	2,861,058	-	3,415,971
Total Capital Assets, Not Being Depreciated	3,286,893	2,861,058	-	6,147,951
Capital Assets, Being Depreciated:				
Buildings	2,562,904	1,463,649	-	4,026,553
Improvements	271,171	-	-	271,171
Equipment	916,317	47,254	-	963,571
Vehicles	1,250,536	203,637	(91,032)	1,363,141
Infrastructure	9,119,566	294,096	-	9,413,662
Total Capital Assets, Being Depreciated	14,120,494	2,008,636	(91,032)	16,038,098
Less: Accumulated Depreciation:				
Buildings	(602,043)	(131,557)	-	(733,600)
Improvements	(178,366)	(9,325)	-	(187,691)
Equipment	(688,699)	(40,144)	-	(728,843)
Vehicles	(517,609)	(141,034)	91,032	(567,611)
Infrastructure	(3,019,007)	(366,835)	-	(3,385,842)
Total Accumulated Depreciation	(5,005,724)	(688,895)	91,032	(5,603,587)
Total Capital Assets, Being Depreciated, Net	9,114,770	1,319,741	-	10,434,511
Governmental Activities Capital Assets, Net	\$ 12,401,663	\$ 4,180,799	\$ -	\$ 16,582,462

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

General Government	\$	138,004
Public Safety		60,697
Public Works		389,204
Parks and Recreation		100,990
Total	<u>\$</u>	<u>688,895</u>

Capital asset business-type activity for the year ended December 31, 2021, is summarized below.

	Beginning of Year	Additions	Deletions	End of Year
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land (Sewer)	\$ 294,835	\$ -	\$ -	\$ 294,835
Construction Progress	265,608	5,794	(265,608)	5,794
Total Capital Assets, Not Being Depreciated	560,443	5,794	(265,608)	300,629
Capital Assets, Being Depreciated:				
Buildings	281,751	-	-	281,751
Improvements	322,159	-	-	322,159
Sewer Mains	1,004,972	20,337	-	1,025,309
Treatment Plant	6,091,787	404,944	-	6,496,731
Equipment and Vehicles	179,757	-	-	179,757
Total Capital Assets, Being Depreciated	7,880,426	425,281	-	8,305,707
Less: Accumulated Depreciation	<u>(2,950,299)</u>	<u>(278,035)</u>	-	<u>(3,228,334)</u>
Total Capital Assets, Being Depreciated, Net	4,930,127	147,246	-	5,077,373
Business-Type Activities Capital Assets, Net	<u>\$ 5,490,570</u>	<u>\$ 153,040</u>	<u>\$ (265,608)</u>	<u>\$ 5,378,002</u>

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2021.

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental Activities					
2021 Capital Lease - Dump Truck	\$ -	\$ 203,637	\$ (43,243)	\$ 160,394	\$ 38,287
2020 Capital Lease - Dump Truck	160,394	-	(38,287)	122,107	39,470
2017 Capital Lease - Dump Truck	51,991	-	(51,991)	-	-
Compensated Absences	148,958	257,037	(234,478)	171,517	-
Total	<u>\$ 361,343</u>	<u>\$ 460,674</u>	<u>\$ (367,999)</u>	<u>\$ 454,018</u>	<u>\$ 77,757</u>

Compensated absences are expected to be liquidated primarily with resources of the General Fund.

In January 2017, the Town entered into a lease agreement for financing the acquisition of a dump truck valued at \$249,190. The lease has an interest rate of 2.54% and requires quarterly payments of principal and interest through December 2021 of \$13,205. The vehicle has an estimated useful life of seven years. During the year ended December 31, 2021, \$35,599 was included in depreciation expense. The net book value of the asset is \$106,796 as of December 31, 2021. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the 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 December 2020, the Town entered into a lease agreement for financing the acquisition of a dump truck valued at \$204,373. The lease has an interest rate of 3.03% and requires annual payments of principal and interest through December 2024 of \$43,243. The vehicle has an estimated useful life of fifteen years. During the year ended December 31, 2021, \$6,812 was included in depreciation expense. The net book value of the asset is \$190,749 as of December 31, 2021. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. It is the policy of the Town to make the lease payments from the Municipal Facilities Fund.

In May 2021, the Town entered into a lease agreement for financing the acquisition of a dump truck valued at \$203,637. The lease has an interest rate of 3.03% and requires annual payments of principal and interest through May 2025 of \$43,243. The vehicle has an estimated useful life of fifteen years. During the year ended December 31, 2021, \$6,788 was included in depreciation expense. The net book value of the asset is \$196,849 as of December 31, 2021. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. It is the policy of the Town to make the lease payments from the Municipal Facilities Fund.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

The future minimum lease payments of principal and interest as of December 31, 2021, are as follows:

<u>Year Ending December 31,</u>	2020 <u>Dump Truck</u>	2021 <u>Dump Truck</u>
2022	\$ 43,243	\$ 43,243
2023	43,243	43,243
2024	43,243	43,243
2025	-	43,243
Less: Interest	<u>(7,622)</u>	<u>(12,578)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 122,107</u>	<u>\$ 160,394</u>

Business-Type Activities

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2021:

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>	<u>Due within One Year</u>
Business-Type Activities					
Direct Borrowing					
CWRPDA Note Payable	\$ 1,622,172	\$ -	\$ (74,182)	\$ 1,547,990	\$ 76,794
CWRPDA Premium	57,519	-	(3,763)	53,756	3,763
Total Direct Borrowing	<u>\$ 1,679,691</u>	<u>\$ -</u>	<u>\$ (77,945)</u>	<u>\$ 1,601,746</u>	<u>\$ 80,557</u>
Compensated Absences	7,821	1,249	-	9,070	907
Total	<u>\$ 1,687,512</u>	<u>\$ 1,249</u>	<u>\$ (77,945)</u>	<u>\$ 1,610,816</u>	<u>\$ 81,464</u>

Note from Direct Borrowing

In May 2007, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority (the 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 of \$65,077 through February 2037. 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 operations and maintenance expenses excluding depreciation not to exceed \$1,250,000. At December 31, 2021, this amount has been recorded as restricted net position in the Sewer Fund. The Town has pledged all sewer revenues to the repayment of this debt. There are no unused lines of credit. In the event of default, the Authority shall have the right to take any action permitted or required pursuant to the Loan Agreement and to take whatever other action at law or in equity to collect amounts then due and thereafter become due.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Future debt service requirements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 76,794	\$ 53,361	\$ 130,155
2023	79,497	50,657	130,154
2024	82,296	47,858	130,154
2025	85,193	44,961	130,154
2026	88,192	41,962	130,154
2027 to 2031	489,778	160,994	650,772
2032 to 2036	582,278	68,495	650,773
2037	63,962	1,116	65,078
Total	<u>\$ 1,547,990</u>	<u>\$ 469,404</u>	<u>\$ 2,017,394</u>

The 2007 Colorado Water Resources and Power Development Authority sewer loan agreement includes a rate maintenance coverage covenant that requires the Town to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due.

The computation of the rate maintenance is as follows:

Revenues

Operating Revenues	\$ 833,165
System Improvement Fees	284,701
Investment Earnings	433
Total Revenues	<u>1,118,299</u>

Expenses

Operating Expenses	(798,399)
Less: Depreciation	278,035
Net Expenses	<u>(520,364)</u>
Net Revenues	597,935

Debt Services Requirements (Parity and Subordinate)

2007 CWRPDA Note Payable	130,155
Required Coverage	110%
Debt Service Coverage Amount	<u>143,171</u>
Net Revenue Excess (Shortfall)	<u>\$ 454,764</u>

**TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 INTERFUND TRANSACTIONS

Interfund transfers during the year ended December 31, 2021, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Transportation Fund	General Fund	\$ 1,535,445
Transportation Fund	Capital Improvement Fund	407,550
Municipal Facilities Fund	Capital Improvement Fund	3,868,821
Municipal Facilities Fund	Sewer Fund	125,000
Total		<u>\$ 5,936,816</u>

Transfers In to the Transportation Fund from the General Fund and Capital Improvement Fund were to assist with the 3rd Street Improvement project expenditures. Transfers In to the Municipal Facilities Fund from the Capital Improvement Fund and Sewer Fund were to assist with the Public Works Facility expenditures.

NOTE 6 DEFERRED COMPENSATION PLAN

Under Resolution No. 30-R-2015, the Town established a 457 deferred compensation plan. Participation in the plan is at the employee's option and contributions are limited to the IRS maximum. Under the plan, the Town matches on a one-to-one percentage basis up to 5% of an employee's salary. During the year, employees deferred \$83,405 including \$12,549 of Roth contributions and the Town's match was \$71,930.

NOTE 7 DEFINED BENEFIT PENSION PLAN

State Fire and Police Pension Plan (FPPA)

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members 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% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 with at least five years of credited service 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% 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% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of the SWDB plan and their employers are contributing at the rate of 11.5% and 8.5%, respectively, of base salary for a total contribution rate of 20.0% in 2021. 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% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. Contributions to the SWDB plan from the Town were \$66,318 for the year ended December 31, 2021.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2021, the Town reported an asset of \$171,963 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2020, the Town's proportion was 0.0792%, which was an increase of 0.0156% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Town recognized pension expense of (\$100,953). At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 145,841	\$ 684
Changes of Assumptions and Other Inputs	73,138	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	176,630
Changes in Proportion	-	118,226
Contributions Subsequent to the Measurement Date	66,318	-
Total	<u>\$ 285,297</u>	<u>\$ 295,540</u>

\$66,318 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (35,685)
2023	(12,775)
2024	(42,491)
2025	(12,441)
2026	15,190
Thereafter	11,641
Total	<u>\$ (76,561)</u>

**TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25 - 11.25%	4.25 - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

**TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	39.00 %	8.23 %
Equity Long/Short	8.00	6.87
Private markets	26.00	10.63
Fixed Income	10.00	4.01
Absolute Return	5.00	5.25
Managed Futures	10.00	5.60
Cash	2.00	2.32
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA 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.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 173,054	\$ (171,963)	\$ (457,679)

Pension Plan Fiduciary Net Position

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

**TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes Between the Measurement Date of the Net Pension Asset and December 31, 2021

During 2020, legislation was passed effective January 1, 2021 that amended the Statewide Defined Benefit Plan. The stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension asset of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

NOTE 8 NET INVESTMENT IN CAPITAL ASSETS

The Net Investment in Capital Assets amounts reported on the government-wide and business-type statement of net position as of December 31, 2021, consist of the following:

	Governmental Activities	Business-Type Activities
Net Investment in Capital Assets:		
Cost of Capital Assets	\$ 22,186,049	\$ 8,606,336
Less: Accumulated Depreciation	(5,603,587)	(3,228,334)
Book Value	16,582,462	5,378,002
Capital Related Debt	(282,501)	(1,547,990)
Capital Related Payables	(438,503)	-
Debt Premium	-	(53,756)
Net Investment in Capital Assets	<u>\$ 15,861,458</u>	<u>\$ 3,776,256</u>

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA as described previously.

Funding Policy

The contribution requirements are established by State statute. The Town Board determines the contribution split between members and the Town. For members hired on or after January 1, 1997, the Town contributed 2.8% of base salaries during the years ended December 31, 2021 and 2020. The Town's contributions to the plan for the years ended December 31, 2021 and 2020 were \$23,509 and \$18,055, respectively, equal to the required contributions.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for its workers compensation claims.

Public Entity Risk Pool

For other risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. Management believes that additional disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

TOWN OF MEAD, COLORADO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$398,000 was reported as restricted fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MEAD, COLORADO
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION
ASSET (LIABILITY) AND CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PLAN
YEAR ENDED DECEMBER 31, 2021

Fiscal Year	2021	2020	2019	2018
Plan Measurement Date	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Proportionate Share of the Net Pension Asset (Liability)				
Town's Proportion of the Net Pension (Asset) Liability	0.07920886%	0.06352669%	0.03626892%	0.03490164%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ 171,963	\$ 35,928	\$ (45,854)	\$ 50,212
Town's Covered Payroll	\$ 643,912	\$ 494,759	\$ 248,950	\$ 164,885
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	26.7%	7.3%	(18.4%)	30.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.7%	101.9%	95.2%	106.3%
Town Contributions				
Statutorily Required Contribution	\$ 66,318	\$ 51,513	\$ 37,457	\$ 19,436
Contribution in Relation to the Statutorily Required Contribution	<u>66,318</u>	<u>51,513</u>	<u>37,457</u>	<u>19,436</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 780,216	\$ 643,912	\$ 494,759	\$ 248,950
Contributions as a Percentage of Covered Payroll	8.50%	8.00%	7.57%	7.81%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes:				
Property Taxes	\$ 1,276,314	\$ 1,276,314	\$ 1,153,571	\$ (122,743)
Specific Ownership Taxes	90,000	90,000	69,848	(20,152)
Sales and Use Taxes	3,362,269	3,362,269	4,138,571	776,302
Franchise Fees	198,000	198,000	207,560	9,560
Other Taxes	60,000	60,000	-	(60,000)
Total Taxes	<u>4,986,583</u>	<u>4,986,583</u>	<u>5,569,550</u>	<u>582,967</u>
Intergovernmental:				
Highway Users	190,000	190,000	248,408	58,408
Cigarette Taxes	11,000	11,000	16,202	5,202
Road and Bridges Fees	120,000	120,000	80,739	(39,261)
Federal Grants	-	-	13,941	13,941
State Grants	-	149,999	98,878	(51,121)
Mineral Lease	20,000	20,000	26,345	6,345
Other Intergovernmental	-	-	140,953	140,953
Total Intergovernmental	<u>341,000</u>	<u>490,999</u>	<u>625,466</u>	<u>134,467</u>
Licenses and Permits:				
Liquor Licenses	2,634	2,634	1,751	(883)
Building Permits	1,136,007	1,136,007	1,239,192	103,185
Business Licenses	12,000	12,000	17,800	5,800
Clerk/Motor Vehicle Fees	23,000	23,000	25,354	2,354
Animal Licenses	750	750	604	(146)
Other Licenses and Permits	156,800	156,800	774,544	617,744
Total Licenses and Permits	<u>1,331,191</u>	<u>1,331,191</u>	<u>2,059,245</u>	<u>728,054</u>
Fines and Forfeitures	97,450	97,450	34,105	(63,345)
Charges for Services:				
Recreation Fees	38,600	38,600	43,251	4,651
Other Charges for Services	40,000	40,000	398,163	358,163
Total Charges for Services	<u>78,600</u>	<u>78,600</u>	<u>441,414</u>	<u>362,814</u>
Investment Income	40,000	40,000	4,924	(35,076)
Other Revenues:				
Reimbursement and refunds	299,148	299,148	-	(299,148)
Donations	15,000	15,000	-	(15,000)
Other Miscellaneous Revenues	10,000	10,000	63,593	53,593
Total Other Revenues	<u>324,148</u>	<u>324,148</u>	<u>63,593</u>	<u>(260,555)</u>
Total Revenues	<u>7,198,972</u>	<u>7,348,971</u>	<u>8,798,297</u>	<u>1,449,326</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures				
Current:				
General Government	\$ 2,200,763	\$ 2,200,763	\$ 1,330,572	\$ 870,191
Community Development	934,787	934,787	985,641	(50,854)
Public Safety	1,690,998	1,690,998	1,567,508	123,490
Public Works	1,436,546	1,436,546	1,006,639	429,907
Parks and Recreation	408,559	408,559	676,377	(267,818)
Total Current	<u>6,671,653</u>	<u>6,671,653</u>	<u>5,566,737</u>	<u>1,104,916</u>
Capital Outlay	489,500	1,059,499	628,969	430,530
Debt Service	52,819	52,819	52,819	-
Total Expenditures	<u>7,213,972</u>	<u>7,783,971</u>	<u>6,248,525</u>	<u>1,535,446</u>
Excess Revenues Over (Under) Expenditures	(15,000)	(435,000)	2,549,772	2,984,772
Other Financing Sources (Uses)				
Transfers Out	-	-	(1,535,445)	(1,535,445)
Sale of Capital Assets	15,000	15,000	9,803	(5,197)
Insurance Recoveries	-	-	17,500	17,500
Net Change in Fund Balance	-	(420,000)	1,041,630	1,461,630
Fund Balance - Beginning of Year	<u>4,637,651</u>	<u>3,648,782</u>	<u>5,439,986</u>	<u>1,791,204</u>
Fund Balance - End of Year	<u>\$ 4,637,651</u>	<u>\$ 3,228,782</u>	<u>\$ 6,481,616</u>	<u>\$ 3,252,834</u>

**TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
MEAD URBAN RENEWAL AUTHORITY FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance
Revenues			
Property Taxes	\$ 2,144,957	\$ 2,206,484	\$ 61,527
Charges for Services	11,147	11,325	178
Investment Income	12,000	1,931	(10,069)
Total Revenues	<u>2,168,104</u>	<u>2,219,740</u>	<u>51,636</u>
Expenditures			
General Government:			
Administration	2,976,997	1,532,621	1,444,376
Capital Outlay	-	49,901	(49,901)
Total Expenditures	<u>2,976,997</u>	<u>1,582,522</u>	<u>1,394,475</u>
Net Change in Fund Balance	(808,893)	637,218	1,446,111
Fund Balance - Beginning of Year	<u>2,942,925</u>	<u>2,881,360</u>	<u>(61,565)</u>
Fund Balance - End of Year	<u><u>\$ 2,134,032</u></u>	<u><u>\$ 3,518,578</u></u>	<u><u>\$ 1,384,546</u></u>

**TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL FACILITIES FUND
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance
Revenues				
Impact Fees	\$ 516,968	\$ 516,968	\$ 1,471,408	\$ 954,440
Intergovernmental	1,000,000	1,000,000	-	(1,000,000)
Capital Contributions	-	-	24,175	24,175
Investment Income	10,000	10,000	1,875	(8,125)
Total Revenues	<u>1,526,968</u>	<u>1,526,968</u>	<u>1,497,458</u>	<u>(29,510)</u>
Expenditures				
Public Works	-	-	41,758	(41,758)
Capital Outlay	6,065,343	7,065,343	1,981,874	5,083,469
Debt Service	-	-	86,486	(86,486)
Total Expenditures	<u>6,065,343</u>	<u>7,065,343</u>	<u>2,110,118</u>	<u>4,955,225</u>
Other Financing Sources (Uses)				
Transfers In	3,993,821	3,993,821	3,993,821	-
Issuance of Capital Lease	-	-	203,637	203,637
Net Change in Fund Balance	(544,554)	(1,544,554)	3,584,798	5,129,352
Fund Balance - Beginning of Year	<u>544,554</u>	<u>1,544,554</u>	<u>1,728,398</u>	<u>183,844</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,313,196</u>	<u>\$ 5,313,196</u>

**TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual	Variance
Revenues			
Impact Fees	\$ 783,214	\$ 1,985,071	\$ 1,201,857
Intergovernmental	320,000	-	(320,000)
Capital Contributions	50,000	34,575	(15,425)
Investment Income	4,500	1,059	(3,441)
Total Revenues	<u>1,157,714</u>	<u>2,020,705</u>	<u>862,991</u>
Expenditures			
Public Works	254,279	-	254,279
Capital Outlay	2,104,800	1,688,877	415,923
Contingency Reserve	87,221	-	87,221
Total Expenditures	<u>2,446,300</u>	<u>1,688,877</u>	<u>757,423</u>
Other Financing Sources (Uses)			
Transfers in	<u>407,550</u>	<u>1,942,995</u>	<u>1,535,445</u>
Net Change in Fund Balance	(881,036)	2,274,823	3,155,859
Fund Balance - Beginning of Year	<u>894,186</u>	<u>1,130,426</u>	<u>236,240</u>
Fund Balance - End of Year	<u>\$ 13,150</u>	<u>\$ 3,405,249</u>	<u>\$ 3,392,099</u>

TOWN OF MEAD, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

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

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

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board.
- All appropriations lapse at year end.

NOTE 2 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET AND CONTRIBUTIONS

The Fire & Police Pension Association of Colorado (FPPA) Statewide Defined Benefit Plan's net pension liability and associated amounts are measured annually on December 31, based on an actuarial valuation as of the previous December 31. The Town's contributions and related ratios represent cash contributions and any related accruals that coincide with the Town's fiscal year ending on December 31.

Changes in Assumptions and Other Inputs

For the year ended December 31, 2021, the total pension asset was determined by an actuarial valuation as of January 1, 2020. The following revised economic and demographic assumptions were effective as of December 31, 2017.

- Investment rate of return assumption of 7.00% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.5% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables.

SUPPLEMENTARY INFORMATION

**TOWN OF MEAD, COLORADO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2021
 (SEE INDEPENDENT AUDITORS' REPORT)**

	Conservation Trust	Downtown Revitalization	Capital Improvement	Storm Drainage	Parks and Open Space	Art in Public Places	Police Impact	Total
Assets								
Cash and Investments	\$ 64,323	\$ 32,133	\$ 925,415	\$ 113,905	\$ 1,889,162	\$ 6,101	\$ 132,472	\$ 3,163,511
Total Assets	<u>64,323</u>	<u>32,133</u>	<u>925,415</u>	<u>113,905</u>	<u>1,889,162</u>	<u>6,101</u>	<u>132,472</u>	<u>3,163,511</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ 3,033	\$ 84,538	\$ -	\$ -	\$ 87,571
Fund Balances:								
Restricted	64,323	32,133	-	110,872	1,804,624	-	132,472	2,144,424
Assigned to Future Projects	-	-	925,415	-	-	6,101	-	931,516
Total Fund Balance	<u>64,323</u>	<u>32,133</u>	<u>925,415</u>	<u>110,872</u>	<u>1,804,624</u>	<u>6,101</u>	<u>132,472</u>	<u>3,075,940</u>
Total Liabilities and Fund Balances	<u>\$ 64,323</u>	<u>\$ 32,133</u>	<u>\$ 925,415</u>	<u>\$ 113,905</u>	<u>\$ 1,889,162</u>	<u>\$ 6,101</u>	<u>\$ 132,472</u>	<u>\$ 3,163,511</u>

TOWN OF MEAD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Conservation Trust	Downtown Revitalization	Capital Improvement	Storm Drainage	Parks and Open Space	Art in Public Places	Police Impact	Total
Revenues								
Impact Fees	\$ -	\$ -	\$ -	\$ 51,642	\$ 916,296	\$ -	\$ 159,248	\$ 1,127,186
Intergovernmental	56,804	-	-	-	-	-	-	56,804
Investment Income	18	28	1,704	75	938	4	31	2,798
Total Revenues	<u>56,822</u>	<u>28</u>	<u>1,704</u>	<u>51,717</u>	<u>917,234</u>	<u>4</u>	<u>159,279</u>	<u>1,186,788</u>
Expenditures								
Current:								
Public Safety	-	-	-	-	-	-	19,677	19,677
Parks and Recreation	3,517	-	-	-	-	-	-	3,517
Capital Outlay	-	24,732	-	44,465	443,746	-	7,130	520,073
Total Expenditures	<u>3,517</u>	<u>24,732</u>	<u>-</u>	<u>44,465</u>	<u>443,746</u>	<u>-</u>	<u>26,807</u>	<u>543,267</u>
Excess Revenues Over (Under)								
Expenditures	53,305	(24,704)	1,704	7,252	473,488	4	132,472	643,521
Other Financing Sources (Uses)								
Transfers Out	-	-	(4,276,371)	-	-	-	-	(4,276,371)
Net Change in Fund Balance	53,305	(24,704)	(4,274,667)	7,252	473,488	4	132,472	(3,632,850)
Fund Balance - Beginning of Year	<u>11,018</u>	<u>56,837</u>	<u>5,200,082</u>	<u>103,620</u>	<u>1,331,136</u>	<u>6,097</u>	<u>-</u>	<u>6,708,790</u>
Fund Balance - End of Year	<u>\$ 64,323</u>	<u>\$ 32,133</u>	<u>\$ 925,415</u>	<u>\$ 110,872</u>	<u>\$ 1,804,624</u>	<u>\$ 6,101</u>	<u>\$ 132,472</u>	<u>\$ 3,075,940</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 50,000	\$ 56,804	\$ 6,804
Investment Income	200	18	(182)
Total Revenues	<u>50,200</u>	<u>56,822</u>	<u>6,622</u>
Expenditures			
Parks and Recreation	-	3,517	(3,517)
Capital Outlay	50,000	-	50,000
Total Expenditures	<u>50,000</u>	<u>3,517</u>	<u>46,483</u>
Net Change in Fund Balance	200	53,305	53,105
Fund Balance - Beginning of Year	<u>17</u>	<u>11,018</u>	<u>11,001</u>
Fund Balance - End of Year	<u>\$ 217</u>	<u>\$ 64,323</u>	<u>\$ 64,106</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
DOWNTOWN REVITALIZATION FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Revenues			
Investment Income	\$ 400	\$ 28	\$ (372)
Expenditures			
General Government	15,000	-	15,000
Public Works	12,334	-	12,334
Capital Outlays	30,000	24,732	5,268
Total Expenditures	<u>57,334</u>	<u>24,732</u>	<u>32,602</u>
Net Change in Fund Balance	(56,934)	(24,704)	32,230
Fund Balance - Beginning of Year	<u>56,934</u>	<u>56,837</u>	<u>(97)</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 32,133</u>	<u>\$ 32,133</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
STORM DRAINAGE FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Revenues			
Impact Fees	\$ 143,490	\$ 51,642	\$ (91,848)
Investment Income	350	75	(275)
Total Revenues	<u>143,840</u>	<u>51,717</u>	<u>(92,123)</u>
Expenditures			
Capital Outlay	175,000	44,465	130,535
Contingency Reserve	19,237	-	19,237
Total Expenditures	<u>194,237</u>	<u>44,465</u>	<u>149,772</u>
Net Change in Fund Balance	(50,397)	7,252	57,649
Fund Balance - Beginning of Year	<u>50,397</u>	<u>103,620</u>	<u>53,223</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 110,872</u>	<u>\$ 110,872</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS AND OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Revenues			
Impact Fees	\$ 782,832	\$ 916,296	\$ 133,464
Intergovernmental	90,000	-	(90,000)
Investment Income	6,000	938	(5,062)
Total Revenues	<u>878,832</u>	<u>917,234</u>	<u>38,402</u>
Expenditures			
Capital Outlay	<u>617,086</u>	<u>443,746</u>	<u>173,340</u>
Total Expenditures	<u>617,086</u>	<u>443,746</u>	<u>173,340</u>
Net Change in Fund Balance	261,746	473,488	211,742
Fund Balance - Beginning of Year	<u>1,164,219</u>	<u>1,331,136</u>	<u>166,917</u>
Fund Balance - End of Year	<u>\$ 1,425,965</u>	<u>\$ 1,804,624</u>	<u>\$ 378,659</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Revenues			
Investment Income	\$ 9,000	\$ 1,704	\$ (7,296)
Total Revenues	<u>9,000</u>	<u>1,704</u>	<u>(7,296)</u>
Excess Revenues Over (Under)			
Expenditures	9,000	1,704	(7,296)
Other Financing Sources (Uses)			
Transfers Out	<u>(4,276,371)</u>	<u>(4,276,371)</u>	<u>-</u>
Net Change in Fund Balance	(4,267,371)	(4,274,667)	(7,296)
Fund Balance - Beginning of Year	<u>5,199,460</u>	<u>5,200,082</u>	<u>622</u>
Fund Balance - End of Year	<u><u>\$ 932,089</u></u>	<u><u>\$ 925,415</u></u>	<u><u>\$ (6,674)</u></u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
ART IN PUBLIC PLACES FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Revenues			
Investment Income	\$ 50	\$ 4	\$ (46)
Expenditures			
Capital Outlay	6,155	-	6,155
Total Expenditures	6,155	-	6,155
Net Change in Fund Balance	(6,105)	4	6,109
Fund Balance - Beginning of Year	6,105	6,097	(8)
Fund Balance - End of Year	\$ -	\$ 6,101	\$ 6,101

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
POLICE IMPACT FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original Budget	Final Budget	Actual	Variance
Revenues				
Impact Fees	\$ -	\$ 143,256	\$ 159,248	\$ 15,992
Investment Income	-	-	31	31
Total Revenues	-	143,256	159,279	16,023
Expenditures				
Public Safety	-	-	19,677	(19,677)
Capital Outlay	-	100,000	7,130	92,870
Total Expenditures	-	100,000	26,807	73,193
Net Change in Fund Balance	-	43,256	132,472	(57,170)
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 43,256</u>	<u>\$ 132,472</u>	<u>\$ (57,170)</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance
Operating Revenues			
Charges for Services	\$ 752,839	\$ 815,041	\$ 62,202
Miscellaneous	17,250	18,124	874
Total Operating Revenues	<u>770,089</u>	<u>833,165</u>	<u>63,076</u>
Expenses			
Operations	380,323	300,522	79,801
Administration	225,453	219,842	5,611
Capital Outlay	325,000	165,467	159,533
Total Expenditures	<u>930,776</u>	<u>685,831</u>	<u>244,945</u>
Net Operating Income	(160,687)	147,334	308,021
Nonoperating Revenues (Expenses)			
Interest Income	8,000	433	(7,567)
Debt Service	<u>(130,155)</u>	<u>(130,154)</u>	<u>(1)</u>
Total Nonoperating Revenues (Expenses)	(122,155)	(129,721)	(7,568)
Net Income (Loss) Before Contributed Capital	(282,842)	17,613	300,453
Contributed Capital			
Plant Investment Fees	279,480	284,701	5,221
Transfers Out	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Change in Net Position, Budgetary Basis	<u>\$ (128,362)</u>	177,314	<u>\$ 305,674</u>
Reconciliation to GAAP Basis			
Capital Outlay		165,467	
Debt Service Principal		74,182	
Bond Premium Amortization		3,763	
Change in Accrued Interest		1,079	
Depreciation		<u>(278,035)</u>	
Change in Net Position, GAAP Basis		<u>\$ 143,770</u>	

COMPLIANCE SECTION

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Mead
		YEAR ENDING : December 2021
This Information From the Records of Town of Mead, Colorado	Prepared By: Phone:	Lorraine Trotter, Prof'l Mgmt Solutions 303-910-9197

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)	1,863,876
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	250,268
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	297,447
2. General fund appropriations	830,873	b. Snow and ice removal	55,850
3. Other local imposts (from page 2)	2,063,362	c. Other	
4. Miscellaneous local receipts (from page 2)	146,635	d. Total (a. through c.)	353,297
5. Transfers from toll facilities		4. General administration & miscellaneous	19,288
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	783,754
a. Bonds - Original Issues		6. Total (1 through 5)	3,270,483
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	3,040,870	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	368,920	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	5,784
E. Total receipts (A.7 + B + C + D)	3,409,790	b. Redemption	133,521
		c. Total (a. + b.)	139,305
		3. Total (1.c + 2.c)	139,305
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,409,788

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)	212,385	203,637	133,521	282,501

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	3,409,790	3,409,788	2	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	1,058
b. Other local imposts:		b. Traffic Fines & Penalties	30,263
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,985,071	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	8,443	f. Charges for Services	
5. Specific Ownership &/or Other	69,848	g. Other Mis Developer Contrib's in Lieu	34,575
6. Total (1. through 5.)	2,063,362	h. Other County Road & Bridge Tax	80,739
c. Total (a. + b.)	2,063,362	i. Total (a. through h.)	146,635
	(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	248,408	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	25,354	d. Federal Transit Admin	
d. Other DCOT Devolution Pymt	0	e. U.S. Corps of Engineers	
e. Other (Specify) Main Street Grant	95,158	f. Other Federal	
f. Total (a. through e.)	120,512	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	368,920	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,688,877	1,688,877
(3). System Preservation			0
(4). System Enhancement & Operation		174,999	174,999
(5). Total Construction (1) + (2) + (3) + (4)	0	1,863,876	1,863,876
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,863,876	1,863,876
			(Carry forward to page 1)

Notes and Comments:



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