

TOWN OF MEAD, COLORADO

FINANCIAL STATEMENTS

December 31, 2023

TOWN OF MEAD, COLORADO
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and the Board of Trustees
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, 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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Mead, 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2023, 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 these 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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 accompanying combining and individual fund statements and budget comparison schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements and budget comparison 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 auditor's 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 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 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.

DMC Auditing and Consulting, LLC

DMC Auditing and Consulting, LLC

July 8, 2024
Bailey, Colorado

Management's Discussion and Analysis

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, 2023. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Net Position of the Town increased by \$5,191,862 (9.8%) during 2023.
- At December 31, 2023, the Town's governmental funds reported combined ending fund balances of \$28,059,439. This marked an increase of \$2,246,623 (8.7%) from the prior year's ending governmental fund balances due primarily to increases in the General Fund, Municipal Facilities Fund, and Capital Improvement Fund.
- The Town's General Fund increased its Fund Balance by \$976,087 (14.9%) during 2023 primarily due to the growing tax base for sales and property taxes, and fees from new development.
- The Town's Sewer Fund's net position increased by \$141,383 (2.3%) during 2023 primarily due to sewer tap fees received.

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.

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 nine 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 six of the nine governmental funds that meet the criteria to be designated as major funds (General Fund, Municipal Facilities Fund, Transportation Fund, Street Improvement Fund, Capital Improvement Fund, and MURA Fund). The other governmental funds (Conservation Trust Fund, Parks & Open Space Fund, and Police Impact Fund) 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 in the section titled "Supplementary Information."

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, 2023, all funds had budgeted expenditures/expenses.

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 \$58,348,610 at the close of 2023. As shown below, the Town's financial position improved by \$5,191,862 (9.8%) during 2023.

Town of Mead's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$32,706,904	\$35,190,614	\$ 1,580,257	\$ 1,726,310	\$ 34,287,161	\$ 36,916,924
Capital assets, net	24,961,867	21,493,251	6,390,582	6,059,457	31,352,449	27,552,708
Total assets	\$57,668,771	\$56,683,865	\$ 7,970,839	\$ 7,785,767	\$ 65,639,610	\$ 64,469,632
Deferred outflow s of resources	\$ 681,545	\$ 316,133	\$ -	\$ -	\$ 681,545	\$ 316,133
Current liabilities	\$ 4,647,465	\$ 4,189,810	\$ 190,829	\$ 66,791	\$ 4,838,294	\$ 4,256,601
Noncurrent Liabilities	1,497,543	674,954	1,451,790	1,532,139	2,949,333	2,207,093
Total liabilities	\$ 6,145,008	\$ 4,864,764	\$ 1,642,619	\$ 1,598,930	\$ 7,787,627	\$ 6,463,694
Deferred inflow s of resources	\$ 184,918	\$ 5,165,323	\$ -	\$ -	\$ 184,918	\$ 5,165,323
Net position:						
Net investment in capital assets	\$23,865,866	\$20,692,184	\$ 4,932,415	\$ 4,538,268	\$ 28,798,281	\$ 25,230,452
Restricted	13,633,985	13,429,874	175,673	175,559	13,809,658	13,605,433
Unrestricted	14,520,539	12,847,853	1,220,132	1,473,010	15,740,671	14,320,863
Total net position	\$52,020,390	\$46,969,911	\$ 6,328,220	\$ 6,186,837	\$ 58,348,610	\$ 53,156,748

Approximately half (49.3%) of the Town's total net position at December 31, 2023 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 23.7% (\$13,809,658) of the Town's total net position at the end of 2023 represents resources that are subject to external restrictions on how they may be used. They are fund balance restrictions of impact fees collected for future capital needs (\$11,104,390), an operations and maintenance reserve for the sewer fund (\$175,673), sales tax revenues restricted to street maintenance and improvements (\$1,981,739), conservation trust fund revenues for parks and certain recreation purposes (\$112,856), and \$435,000 for emergencies.

The remaining amount of the Town's total net position at the end of 2023 (\$15,740,671) represents 27.0% of total net position and may be used to meet the Town's other ongoing obligations to residents and creditors.

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 Condensed Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program revenues:						
Charges for services	\$ 1,594,630	\$ 2,382,151	\$ 971,499	\$ 922,408	\$ 2,566,128	\$ 3,304,559
Operating grants & contributions	1,080,441	887,889	-	-	1,080,440	887,889
Capital grants & contributions	582,740	489,047	187,218	1,266,628	769,958	1,755,675
General revenues:						
Property taxes	4,712,353	3,751,396	-	-	4,712,352	3,751,396
Sales & use taxes	6,927,694	7,066,788	-	-	6,927,696	7,066,788
Other taxes	286,873	250,030	-	-	286,873	250,030
Investment income	1,532,045	447,075	76,330	25,798	1,608,375	472,873
Other general revenues	1,864,697	3,331,311	-	-	1,864,698	3,331,311
Total revenues	<u>\$ 18,581,473</u>	<u>\$ 18,605,687</u>	<u>\$ 1,235,047</u>	<u>\$ 2,214,834</u>	<u>\$ 19,816,520</u>	<u>\$ 20,820,521</u>
Program expenses:						
General Government	\$ 4,198,662	\$ 3,153,471	\$ -	\$ -	\$ 4,198,662	\$ 3,153,471
Community Development	789,144	864,505	-	-	789,144	864,505
Public Safety	2,513,159	1,855,968	-	-	2,513,159	1,855,968
Public Works	4,657,231	2,820,984	-	-	4,657,231	2,820,984
Parks and Recreation	1,342,421	1,109,879	-	-	1,342,421	1,109,879
Sewer utility	-	-	1,093,664	934,612	1,093,664	934,612
Interest on long-term debt	30,377	15,712	-	-	30,377	15,712
Total expenses	<u>\$ 13,530,994</u>	<u>\$ 9,820,519</u>	<u>\$ 1,093,664</u>	<u>\$ 934,612</u>	<u>\$ 14,624,658</u>	<u>\$ 10,755,131</u>
Transfers	\$ -	\$ 100,000	\$ -	\$ (100,000)	\$ -	\$ -
Increase/(decrease)in net position	\$ 5,050,479	\$ 8,885,168	\$ 141,383	\$ 1,180,222	\$ 5,191,862	\$ 10,065,390
Net Position, Beginning	46,969,911	38,084,743	6,186,837	5,006,615	53,156,748	43,091,358
Net Position, Ending	<u>\$ 52,020,390</u>	<u>\$ 46,969,911</u>	<u>\$ 6,328,220</u>	<u>\$ 6,186,837</u>	<u>\$ 58,348,610</u>	<u>\$ 53,156,748</u>

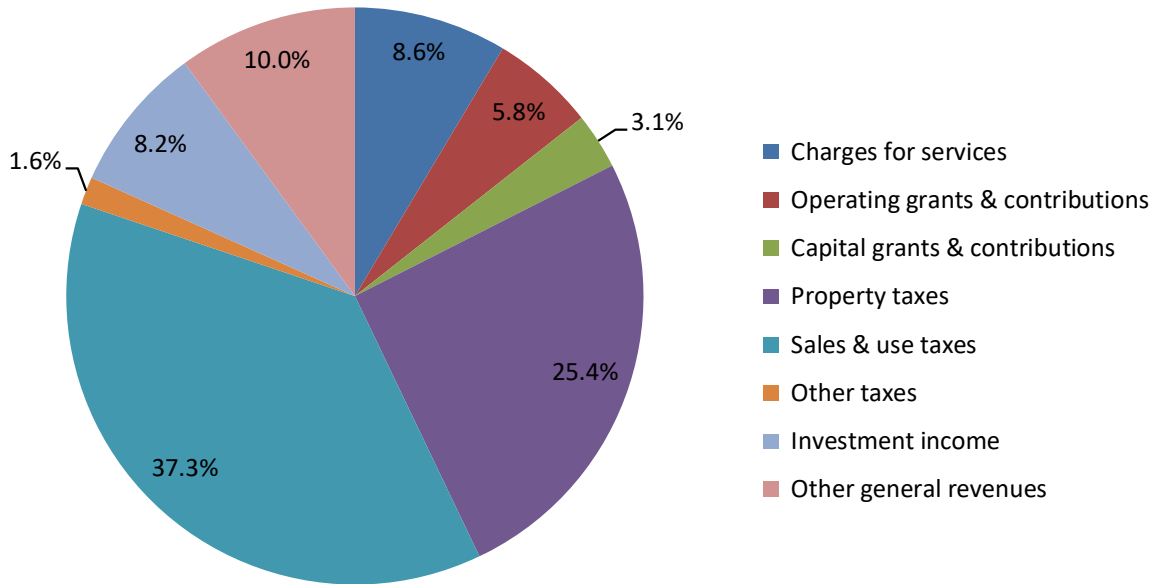
Governmental Activities

The Town's Governmental Activities increased in net position by \$5,050,479 (10.7%) in 2023. Key elements of this increase are as follows:

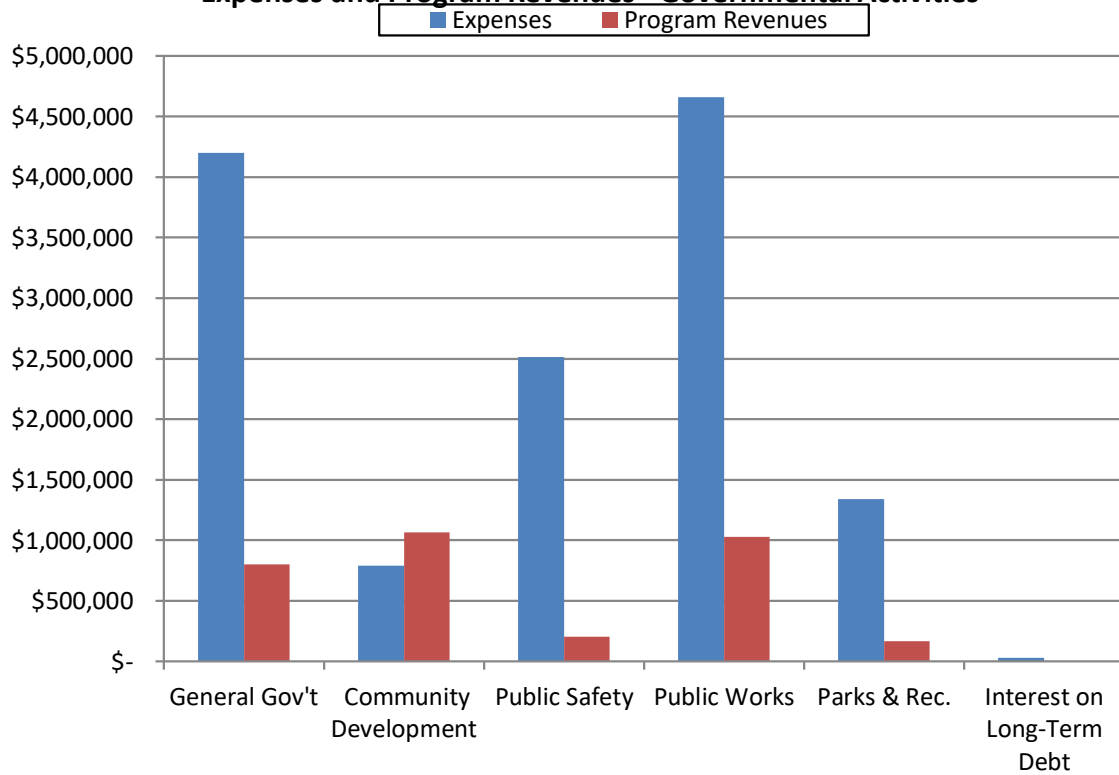
- Property taxes increased by \$960,957 due to a growth in assessed valuations of properties in the Town limits and the MURA boundaries.
- Public safety expenses increased by \$657,191 as the Town completed staffing of its Police Department.
- Public Works expenses increased by \$1,836,247 as the Town performed increased street and road maintenance and repairs.

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.

Revenues by Source - Governmental Activities



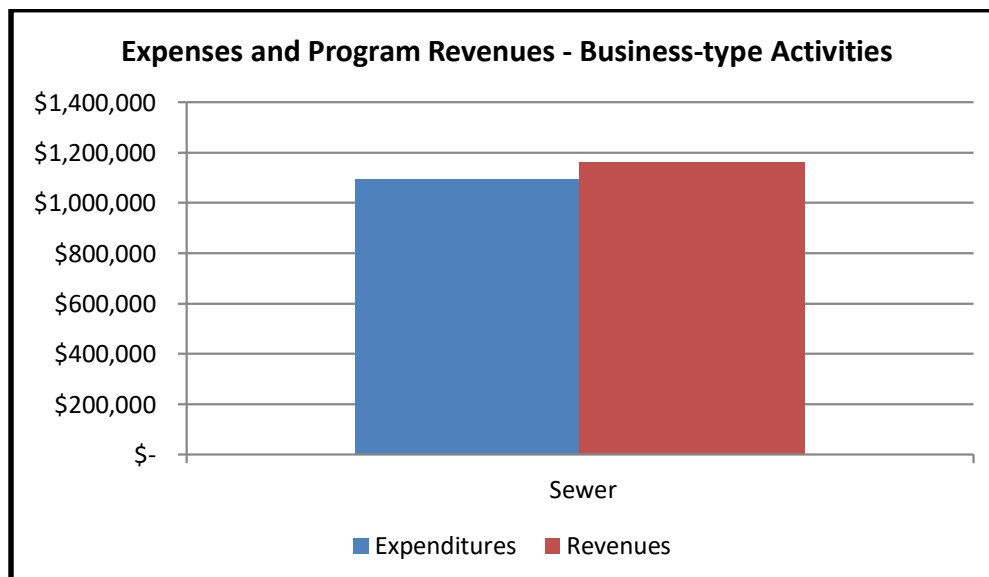
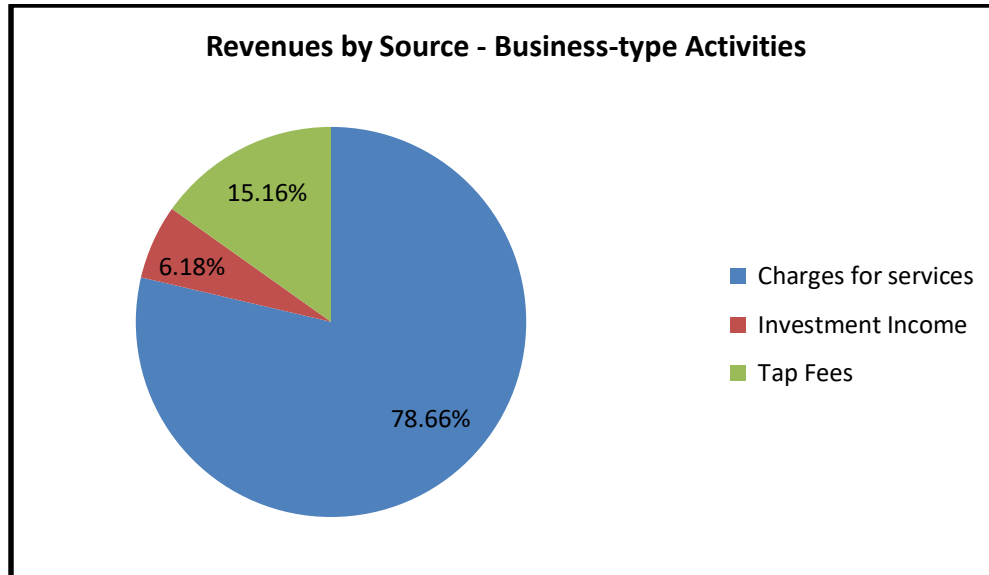
Expenses and Program Revenues - Governmental Activities



Business-type Activities

Business-type Activities increased in net position by \$141,383 (2.3%) during 2023. Charges for Services and Operating Grants and Contributions exceeded expenses in the Sewer Fund by \$65,053.

The following two charts illustrate the Business-type Activities revenues and expenses for 2023.

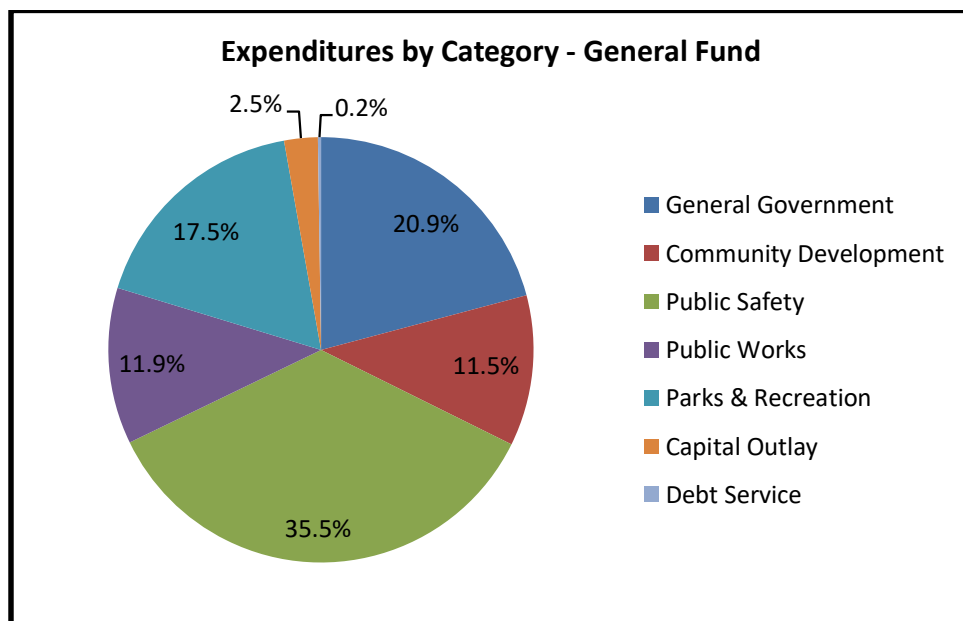
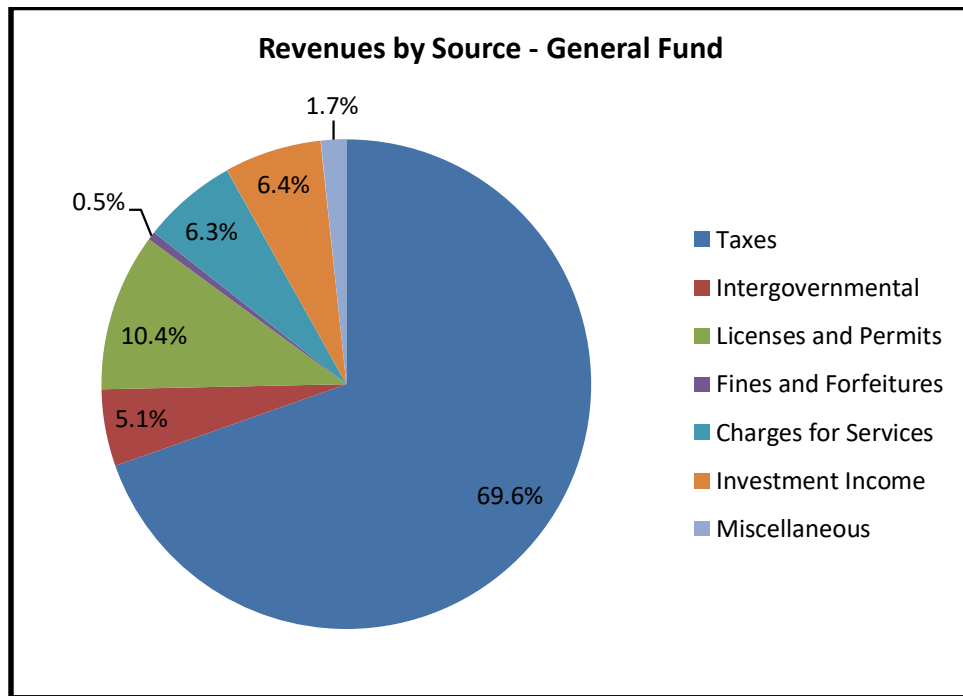


THE TOWN'S FUNDS

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, 2023 the Town's six major Governmental funds reported combined ending fund balances of \$27,327,832. 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 2023, the fund balance of the General Fund totaled

\$7,538,441. This was a \$976,087 (14.9%) increase from 2022 due to the Town's increasing property tax base and increased sales within the Town. The following two tables illustrate General Fund revenues and expenditures during 2023.



Mead Urban Renewal Authority (MURA) Fund. This fund is utilized to account for the taxes levied by the Authority 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 \$742,156 in 2023 without transfers out.

Capital Improvement Fund. The Capital Improvement Fund is utilized to accumulate and track funds to finance current and future capital equipment and capital projects for the Town. Fund resources generally

include transfers from other Town funds and capital grants. During 2023 the General Fund transferred \$1,380,451 to the Capital Improvement Fund for future projects, and the Capital Improvement Fund transferred \$800,000 to the Municipal Facilities Fund for the new Community Center.

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 2023, the Fund also received transfer from \$1,500,000 and \$800,000 from the Parks & Open Space Fund and the Capital Improvement Fund respectively. Expenditures were made for dump trucks, vehicle leases, Town Hall courtroom/boardroom improvements, and public works facilities.

Transportation Fund. The Transportation Fund is utilized to accumulate Impact Fees paid by new development for transportation infrastructure improvements necessitated by growth. During 2023, the Fund also received a transfer from the Mead Urban Renewal Authority Fund (MURA) of \$500,000. Expenditures were made for designing and/or constructing improvements to the intersection of Welker and 3rd streets, 3rd Street and Trail project, and storm drainage improvements.

Street Improvement Fund. The Street Improvement Fund is utilized to account for sales and use taxes used for maintaining and improving roadways in the Town. During 2023, the Fund also received a transfer from the General Fund of \$375,000. Expenditures were made for Public Works repairs and maintenance.

Sewer Fund. At December 31, 2023 the net position of the Sewer Fund was \$6,328,220. This was an increase of \$141,388 (2.3%) over 2022. The fund had a Net Operating Loss of -\$76,426, and debt service payments of \$130,154 were made during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2023 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 4 of the financial statements provides a summary of changes in capital assets during the year. During 2023, the Town purchased computer software and hardware upgrades, and parks, police, and public works equipment; remodeled the Town Courtroom/Boardroom and Police Station; constructed park, street, sewer, and storm drainage improvements; and continued designing a new Community Center.

Debt Administration. The Town's long-term debt primarily consists of a loan, financed purchases, and leases payable. Compensated absences are also recorded. At the end of 2023, the governmental activities had a balance of \$41,947 owed on a 2020 financed purchase of a dump truck, \$82,637 owed on a 2021 financed purchase of a dump truck, and \$971,389 for vehicle leases payable. See Note 5 for more detailed information.

In business-type activities at December 31, 2023, the Town had a balance of \$1,391,699 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 5 for more detailed information.

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 2024 Budget conservatively estimated revenues and anticipates continued improvement in the General Fund balance due to its revenues impacted by growth, such as sales taxes, property taxes, and building/development fees. Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply are causing significant inflation through all sectors of the economy. The full economic impact of these state- and federally-imposed policies and restrictions on the Town's 2024 and future budgets has yet to be determined.

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, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 31,296,217	\$ 1,473,143	\$ 32,769,360
Accounts Receivable	1,376,479	106,007	1,482,486
Deposits	1,500	-	1,500
Prepaid Expenses	32,708	1,107	33,815
Capital Assets, <i>Not Being Depreciated / Amortized</i>	5,479,919	294,835	5,774,754
Capital Assets, <i>Net of Accumulated Depreciation / Amortization</i>	19,481,948	6,095,747	25,577,695
TOTAL ASSETS	57,668,771	7,970,839	65,639,610
DEFERRED OUTFLOWS OF RESOURCES			
Pensions, <i>Net of Accumulated Amortization</i>	681,545	-	681,545
LIABILITIES			
Accounts Payable	732,221	161,239	893,460
Retainage Payable	111,628	-	111,628
Accrued Interest Payable	-	20,238	20,238
Salary and Benefits Payable	235,178	9,352	244,530
Developer Deposits	2,260,405	-	2,260,405
Unearned Revenue	1,308,033	-	1,308,033
Noncurrent Liabilities			
Due Within One Year	370,406	83,682	454,088
Due in More Than One Year	1,024,632	1,368,108	2,392,740
Net Pension Liability	102,505	-	102,505
TOTAL LIABILITIES	6,145,008	1,642,619	7,787,627
DEFERRED INFLOWS OF RESOURCES			
Pensions, <i>Net of Accumulated Amortization</i>	184,918	-	184,918
NET POSITION			
Net Investment in Capital Assets	23,865,866	4,932,415	28,798,281
Restricted for:			
Emergencies	435,000	-	435,000
Conservation Trust	112,856	-	112,856
Municipal Facilities	3,808,621	-	3,808,621
Transportation	6,677,018	-	6,677,018
Street Improvements	1,981,739	-	1,981,739
Parks and Open Space	460,306	-	460,306
Police Impact	158,445	-	158,445
Operations and Maintenance	-	175,673	175,673
Unrestricted	14,520,539	1,220,132	15,740,671
TOTAL NET POSITION	\$ 52,020,390	\$ 6,328,220	\$ 58,348,610

See Notes to the Financial Statements.

TOWN OF MEAD, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS / PROGRAMS	PROGRAM REVENUES					NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING		CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES	ACTIVITIES		
PRIMARY GOVERNMENT									
Governmental Activities									
General Government	\$ 4,198,662	\$ 323,479	\$ 475,557	\$ -	\$ -	\$ (3,399,626)	\$ -	\$ -	\$ (3,399,626)
Community Development	789,144	1,064,510	-	-	-	275,366	-	-	275,366
Public Safety	2,513,159	22,807	179,760	-	-	(2,310,592)	-	-	(2,310,592)
Public Works	4,657,231	116,537	347,699	561,642	561,642	(3,631,353)	-	-	(3,631,353)
Parks and Recreation	1,342,421	67,297	77,425	21,098	21,098	(1,176,601)	-	-	(1,176,601)
Interest on Long-Term Debt	30,377	-	-	-	-	(30,377)	-	-	(30,377)
Total Governmental Activities	13,530,994	1,594,630	1,080,441	582,740	582,740	(10,273,183)	-	-	(10,273,183)
Business-Type Activities									
Sewer	1,093,664	971,499	-	187,218	-	-	65,053	-	65,053
TOTAL PRIMARY GOVERNMENT	\$ 14,624,658	\$ 2,566,129	\$ 1,080,441	\$ 769,958	\$ -	(10,273,183)	65,053	-	(10,208,130)
GENERAL REVENUES									
Property Taxes						4,630,731	-	-	4,630,731
Specific Ownership Taxes						81,622	-	-	81,622
Sales and Use Taxes						6,927,694	-	-	6,927,694
Franchise Fees						286,873	-	-	286,873
Impact Fees						1,655,684	-	-	1,655,684
Investment Income						1,532,045	76,330	-	1,608,375
Miscellaneous						127,463	-	-	127,463
Gain on Sale of Capital Assets						81,550	-	-	81,550
TOTAL GENERAL REVENUES						15,323,662	76,330	-	15,399,992
CHANGE IN NET POSITION						5,050,479	141,383	-	5,191,862
NET POSITION, Beginning						46,969,911	6,186,837	-	53,156,748
NET POSITION, Ending						\$ 52,020,390	\$ 6,328,220	\$ -	\$ 58,348,610

See Notes to the Financial Statements.

TOWN OF MEAD, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2023

	<u>GENERAL</u>	<u>MEAD URBAN RENEWAL AUTHORITY</u>	<u>MUNICIPAL FACILITIES</u>
ASSETS			
Cash and Investments	\$ 10,806,927	\$ 3,347,508	\$ 3,852,924
Accounts Receivable	828,454	211	-
Deposits	1,500	-	-
Prepaid Expenditures	<u>32,570</u>	<u>138</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 11,669,451</u>	 <u>\$ 3,347,857</u>	 <u>\$ 3,852,924</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 356,961	\$ 2,698	\$ 34,303
Retainage Payable	-	-	10,000
Salary and Benefits Payable	205,611	11,528	-
Developer Deposits	2,260,405	-	-
Unearned Revenue	<u>1,308,033</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>4,131,010</u>	 <u>14,226</u>	 <u>44,303</u>
 FUND BALANCES			
Nonspendable:			
Prepaid Expenditures	32,570	138	-
Deposits	1,500	-	-
Restricted for:			
Emergencies	435,000	-	-
Conservation Trust	-	-	-
Municipal Facilities	-	-	3,808,621
Transportation	-	-	-
Street Improvements	-	-	-
Parks and Open Space	-	-	-
Police Impact	-	-	-
Assigned to:			
Urban Renewal Projects	-	3,333,493	-
Future Projects	-	-	-
Unassigned	<u>7,069,371</u>	<u>-</u>	<u>-</u>
 TOTAL FUND BALANCES	 <u>7,538,441</u>	 <u>3,333,631</u>	 <u>3,808,621</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 11,669,451</u>	 <u>\$ 3,347,857</u>	 <u>\$ 3,852,924</u>

<u>TRANSPORTATION</u>	<u>STREET IMPROVEMENT</u>	<u>CAPITAL IMPROVEMENT</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
\$ 6,773,200	\$ 1,783,037	\$ 3,988,382	\$ 744,239	\$ 31,296,217
173,063	374,751	-	-	1,376,479
-	-	-	-	1,500
-	-	-	-	32,708
<u>6,946,263</u>	<u>2,157,788</u>	<u>3,988,382</u>	<u>744,239</u>	<u>32,706,904</u>
\$ 269,245	\$ 56,382	\$ -	\$ 12,632	\$ 732,221
-	101,628	-	-	111,628
-	18,039	-	-	235,178
-	-	-	-	2,260,405
-	-	-	-	1,308,033
<u>269,245</u>	<u>176,049</u>	<u>-</u>	<u>12,632</u>	<u>4,647,465</u>
-	-	-	-	32,708
-	-	-	-	1,500
-	-	-	-	435,000
-	-	-	112,856	112,856
-	-	-	-	3,808,621
6,677,018	-	-	-	6,677,018
-	1,981,739	-	-	1,981,739
-	-	-	460,306	460,306
-	-	-	158,445	158,445
-	-	-	-	-
-	-	-	-	3,333,493
-	-	3,988,382	-	3,988,382
-	-	-	-	7,069,371
<u>6,677,018</u>	<u>1,981,739</u>	<u>3,988,382</u>	<u>731,607</u>	<u>28,059,439</u>
\$ <u>6,946,263</u>	\$ <u>2,157,788</u>	\$ <u>3,988,382</u>	\$ <u>744,239</u>	\$ <u>32,706,904</u>

See Notes to the Financial Statements.

TOWN OF MEAD, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$ 28,059,439
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	24,961,867
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Financed Purchases	(124,612)
Leases Payable	(971,389)
Accrued Compensated Absences	(299,037)
Net Pension Liability	(102,505)
Pension-Related Deferred Outflows of Resources	681,545
Pension-Related Deferred Inflows of Resources	<u>(184,918)</u>
Total Net Position of Governmental Activities	<u>\$ 52,020,390</u>

TOWN OF MEAD, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	GENERAL	MEAD URBAN RENEWAL AUTHORITY	MUNICIPAL FACILITIES
REVENUES			
Taxes	\$ 6,594,781	\$ 3,032,291	\$ -
Impact Fees	-	-	582,989
Intergovernmental	478,204	-	21,098
Licenses and Permits	987,498	-	-
Fines and Forfeitures	51,490	-	-
Charges for Services	594,769	-	-
Capital Contributions	-	-	-
Investment Income	608,540	160,283	152,150
Miscellaneous	158,809	-	-
	<u>9,474,091</u>	<u>3,192,574</u>	<u>756,237</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
General Government	1,435,211	2,450,418	14,240
Community Development	789,144	-	-
Public Safety	2,443,718	-	-
Public Works	818,901	-	3,311
Parks and Recreation	1,205,265	-	4,205
Capital Outlay	174,592	-	1,536,197
Debt Service			
Principal	14,485	-	136,863
Interest and Fiscal Charges	2,331	-	14,375
	<u>6,883,647</u>	<u>2,450,418</u>	<u>1,709,191</u>
TOTAL EXPENDITURES			
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>2,590,444</u>	<u>742,156</u>	<u>(952,954)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Capital Assets	81,550	-	-
Lease Proceeds	59,544	-	66,803
Transfers In	-	-	2,300,000
Transfers Out	(1,755,451)	(500,000)	-
	<u>(1,614,357)</u>	<u>(500,000)</u>	<u>2,366,803</u>
TOTAL OTHER FINANCING SOURCES (USES)			
CHANGE IN FUND BALANCES	976,087	242,156	1,413,849
FUND BALANCES, Beginning	<u>6,562,354</u>	<u>3,091,475</u>	<u>2,394,772</u>
FUND BALANCES, Ending	<u>\$ 7,538,441</u>	<u>\$ 3,333,631</u>	<u>\$ 3,808,621</u>

<u>TRANSPORTATION</u>	<u>STREET IMPROVEMENT</u>	<u>CAPITAL IMPROVEMENT</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
\$ -	\$ 2,299,848	\$ -	\$ -	\$ 11,926,920
699,138	-	-	373,557	1,655,684
415,301	347,699	-	73,174	1,335,476
-	116,537	-	-	1,104,035
-	-	-	-	51,490
-	-	-	-	594,769
146,342	-	-	-	146,342
327,232	110,316	102,628	70,896	1,532,045
-	-	-	-	158,809
<u>1,588,013</u>	<u>2,874,400</u>	<u>102,628</u>	<u>517,627</u>	<u>18,505,570</u>
-	-	-	-	3,899,869
-	-	-	-	789,144
-	-	-	43,232	2,486,950
3,150	3,118,128	-	-	3,943,490
-	-	-	-	1,209,470
1,811,513	617,803	-	484,704	4,624,809
-	37,210	-	52,861	241,419
-	6,749	-	6,922	30,377
<u>1,814,663</u>	<u>3,779,890</u>	<u>-</u>	<u>587,719</u>	<u>17,225,528</u>
<u>(226,650)</u>	<u>(905,490)</u>	<u>102,628</u>	<u>(70,092)</u>	<u>1,280,042</u>
-	-	-	-	81,550
-	474,441	-	284,243	885,031
500,000	375,000	1,380,451	-	4,555,451
-	-	(800,000)	(1,500,000)	(4,555,451)
<u>500,000</u>	<u>849,441</u>	<u>580,451</u>	<u>(1,215,757)</u>	<u>966,581</u>
273,350	(56,049)	683,079	(1,285,849)	2,246,623
<u>6,403,668</u>	<u>2,037,788</u>	<u>3,305,303</u>	<u>2,017,456</u>	<u>25,812,816</u>
\$ <u>6,677,018</u>	\$ <u>1,981,739</u>	\$ <u>3,988,382</u>	\$ <u>731,607</u>	\$ <u>28,059,439</u>

See Notes to the 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, 2023

**AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:**

Net Change in Fund Balances of Governmental Funds	\$ 2,246,623
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:	
Depreciation Expense	(1,156,193)
Capital Outlay	4,624,809
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements	(5,647)
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	241,419
Long-term debt and lease proceeds provide current financial resources to governmental funds, but increases in long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt / lease proceeds and related items.	(885,031)
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. This includes the changes in the following:	
Accrued Compensated Absences	(76,472)
Net Pension Liability	(628,679)
Pension-Related Deferred Outflows of Resources	365,412
Pension-Related Deferred Inflows of Resources	324,238
Change in Net Position of Governmental Activities	\$ <u><u>5,050,479</u></u>

TOWN OF MEAD, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2023

	<u>BUSINESS-TYPE ACTIVITIES SEWER FUND</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,473,143
Accounts Receivable	106,007
Prepaid Expense	<u>1,107</u>
Total Current Assets	<u>1,580,257</u>
Noncurrent Assets	
Capital Assets, <i>Not Being Depreciated</i>	294,835
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>6,095,747</u>
Total Noncurrent Assets	<u>6,390,582</u>
 TOTAL ASSETS	 <u>7,970,839</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	161,239
Salaries and Benefits Payable	9,352
Accrued Interest Payable	20,238
Compensated Absences, <i>Current Portion</i>	1,386
Notes Payable, <i>Current Portion</i>	<u>82,296</u>
Total Current Liabilities	<u>274,511</u>
Noncurrent Liabilities	
Compensated Absences	12,475
Notes Payable	<u>1,355,633</u>
Total Noncurrent Liabilities	<u>1,368,108</u>
 TOTAL LIABILITIES	 <u>1,642,619</u>
NET POSITION	
Net Investment in Capital Assets	4,932,415
Restricted for Operations and Maintenance	175,673
Unrestricted	<u>1,220,132</u>
 TOTAL NET POSITION	 \$ <u><u>6,328,220</u></u>

TOWN OF MEAD, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2023

	<u>BUSINESS-TYPE ACTIVITIES SEWER FUND</u>
OPERATING REVENUES	
Charges for Services	\$ 955,354
Miscellaneous	<u>16,145</u>
TOTAL OPERATING REVENUES	<u>971,499</u>
OPERATING EXPENSES	
Administration	338,800
Operations	363,899
Depreciation	<u>345,226</u>
TOTAL OPERATING EXPENSES	<u>1,047,925</u>
NET OPERATING INCOME (LOSS)	<u>(76,426)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Income	76,330
Interest Expense	<u>(45,739)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>30,591</u>
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	(45,835)
CAPITAL CHARGES	
Sewer Tap Fees	<u>187,218</u>
CHANGE IN NET POSITION	141,383
NET POSITION, Beginning	<u>6,186,837</u>
NET POSITION, Ending	<u><u>\$ 6,328,220</u></u>

TOWN OF MEAD, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2023

	<u>BUSINESS-TYPE ACTIVITIES SEWER FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	\$ 955,656
Cash Payments to Employees	(170,087)
Cash Payments to Suppliers	<u>(403,196)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>382,373</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Sewer Tap Fees Received	187,218
Acquisition of Capital Assets	(676,351)
Debt Principal Paid	(79,497)
Debt Interest Paid	<u>(50,657)</u>
 NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(619,287)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>76,330</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (160,584)
 CASH AND CASH EQUIVALENTS, Beginning	 <u>1,633,727</u>
 CASH AND CASH EQUIVALENTS, Ending	 <u><u>\$ 1,473,143</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	(76,426)
Depreciation Expense	345,226
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	(15,843)
(Increase) Decrease in Prepaid Expenses	1,312
Increase (Decrease) in Accounts Payable	121,587
Increase (Decrease) in Salaries and Benefits Accrual	3,606
Increase (Decrease) in Compensated Absences	<u>2,911</u>
Total Adjustments	<u>113,573</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u><u>\$ 382,373</u></u>

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Town of Mead, Colorado (the Town) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant policies.

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 the organization has the potential to provide benefits to, or impose financial burdens on, the Town.

Based on the application of these criteria, the Mead Urban Renewal Authority is a component unit over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town. The component unit is reported as a fund of the Town and separate financial statements are not issued. The Mead Urban Renewal Authority is a blended component unit.

The Town established the Town of Mead Elevation 25 General Improvement District (the GID), which is a component unit over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town. The management of the GID is closely intertwined with the Town. Therefore, the component unit is reported as a special revenue fund of the Town. Separate financial statements are not issued for the GID. At December 31, 2023, the GID had no financial activity.

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 financial 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*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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.

The *Municipal Facilities Fund* is a special revenue fund that accounts for capital improvements and equipment needed due to increases in the Town's population and businesses. It 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. It is primarily funded through impact fees, developer payments in lieu of construction, and interfund transfers.

The *Street Improvement Fund* is a special revenue fund to account for street maintenance and improvement projects. It is primarily funded through sales and use taxes.

The *Capital Improvement Fund* is a capital projects fund set up to account for the Town's capital projects. It is primarily funded through transfers from other funds.

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 wastewater treatment plant and infrastructure.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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 property tax revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, 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 to be measurable and available only when cash is received by the Town.

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

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Assets, Liabilities, and Fund Balance / Net Position

Cash and Investments – The Town utilizes the pooled cash concept whereby cash balances of each of the Town's funds are pooled and invested by the Town. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the Town on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenditures or prepaid expenses.

Capital Assets - Capital assets include land, buildings, plant, infrastructure, equipment and right-to-use lease assets. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in 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 assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	30 – 40 years
Plant	40 years
Sewer Main	20 – 25 years
Machinery, Equipment and Vehicles	3 – 20 years
Infrastructure	40 years
Improvements	20 – 25 years
Right-to-Use Lease Assets	Shorter of lease term or useful life

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows of Resources - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

Unearned Revenue – Unearned revenues include grants and developer payments in lieu of construction that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the Town that is applicable to a future reporting period.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest 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 financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – Personnel accrue paid time off based on the number of hours worked in a year and paid leave taken. Employees may accumulate up to 1.5 times their annual rate of accrual. Unused accumulated paid time off hours are paid upon separation/termination at their current pay rate. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned. Governmental funds recognize a liability only when payment is due.

Pensions - The Town participates in the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the plan's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - The Town contributes to the Statewide Death & Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan is funded by member contributions or contributions made on behalf of members. The Town has no requirement to contribute to the plan and does not receive contributions from a non-employer entity. Therefore, the Town does not report a net OPEB liability, nor deferred outflows and inflows of resources related to OPEB.

Leases – The Town determines if an arrangement is a lease at inception. For leasing arrangements where the Town is the lessee, leases are included in capital assets and noncurrent liabilities in the statement of net position.

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Lease assets represent the Town's control of the right-to-use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date on the initial measurement of the lease liabilities, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Leased assets are defined by the Town as assets with an initial, individual cost of more than \$5,000.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the Town has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Net Position/Fund Balances - In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the Town imposes on itself by action of the Town's Board of Trustees through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Commitments may be established, modified, or rescinded only through ordinances approved by the Town's Board of Trustees. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

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

The Board of Trustees 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.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes normally attach as an enforceable lien on property on January 1, are levied the following December, and are 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. When taxes become delinquent, the property is sold on the tax sale date.

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: Cash and Investments

At December 31, 2023, the Town had the following cash and investments:

Cash on Hand	\$ 600
Deposits	981,825
Investments	31,786,935
Total	<u>\$ 32,769,360</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires 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. At December 31, 2023, the Town had bank deposits of \$1,215,697 collateralized with securities held by the financial institution's agent but not in the Town's name.

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
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Fair Value Measurements - At December 31, 2023, the Town's investments in the local government investment pool were reported at the net asset value per share.

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

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 (NRSROs).

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.

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pool - At December 31, 2023, the Town had \$13,454,907, \$12,924,889, and \$5,407,139 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust), Colorado Surplus Asset Fund Trust (CSAFE), and Colorado Statewide Investment Pool (CSIP) (the Pools), respectively. The Pools are investment vehicles 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. ColoTrust and CSIP are measured at the net asset value per share, with each share valued at \$1. CSAFE is measured at the net asset value per share, with each share valued at \$2. ColoTrust and CSIP are rated AAAM by Standard and Poor's, and CSAFE is rated AAAMmf by Fitch Ratings. 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.

NOTE 3: Interfund Transfers

Transfers between funds during the year ended December 31, 2023, consisted of the following:

TRANSFERS IN	TRANSFERS OUT	
Street Improvement Fund	General Fund	\$ 375,000
Municipal Facilities Fund	Parks and Open Space Fund	1,500,000
Municipal Facilities Fund	Capital Improvements Fund	800,000
Transportation Fund	Mead Urban Renewal Authority Fund	500,000
Capital Improvements Fund	General Fund	1,380,451
Total		<u>\$ 4,555,451</u>

General fund transfers to the street improvement fund and transportation fund were contributions for the 3rd Street Improvement project. Parks and open space fund and capital improvement fund contributed to the municipal facilities fund for the Public Works Facility expenditures. General fund transferred resources to the capital improvements fund to assist with future capital improvement projects.

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: Capital Assets

Capital assets activity for governmental activities for the fiscal year ended December 31, 2023, is summarized, as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Governmental Activities:				
Capital Assets, Not Being Depreciated / Amortized:				
Land	\$ 2,878,843	\$ -	\$ -	\$ 2,878,843
Water Rights	73,095	-	-	73,095
Construction in Progress	1,043,428	1,749,364	(264,811)	2,527,981
Total Capital Assets, Not Being Depreciated / Amortized	3,995,366	1,749,364	(264,811)	5,479,919
Capital Assets, Being Depreciated / Amortized:				
Buildings	8,574,700	1,012,531	-	9,587,231
Land Improvements	299,028	-	-	299,028
Equipment	1,286,498	359,837	(226,244)	1,420,091
Infrastructure	12,184,784	882,857	-	13,067,641
Vehicles	1,357,641	-	(49,546)	1,308,095
Right-to-Use Lease Assets	312,195	885,031	-	1,197,226
Total Capital Assets, Being Depreciated / Amortized	24,014,846	3,140,256	(275,790)	26,879,312
Less Accumulated Depreciation / Amortized:				
Buildings	(981,559)	(324,060)	-	(1,305,619)
Land Improvements	(197,574)	(8,476)	-	(206,050)
Equipment	(776,510)	(69,735)	226,244	(620,001)
Infrastructure	(3,787,596)	(446,444)	-	(4,234,040)
Vehicles	(711,199)	(124,138)	49,546	(785,791)
Right-to-Use Lease Assets	(62,523)	(183,340)	-	(245,863)
Total Accumulated Depreciation / Amortization	(6,516,961)	(1,156,193)	275,790	(7,397,364)
Total Capital Assets, Being Depreciated / Amortized, Net	17,497,885	1,984,063	-	19,481,948
Total Capital Assets, Governmental Activities, Net	\$ 21,493,251	\$ 3,733,427	\$ (264,811)	\$ 24,961,867

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

General Government	\$ 222,321
Public Safety	87,180
Public Works	713,741
Parks and Recreation	132,951
Total	\$ 1,156,193

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: Capital Assets (Continued)

Capital assets activity for business-type activities for the fiscal year ended December 31, 2023, is summarized, as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 294,835	\$ -		\$ 294,835
Construction in Progress	42,104	-	(42,104)	-
Total Capital Assets, Not Being Depreciated	336,939	-	(42,104)	294,835
Capital Assets, Being Depreciated:				
Buildings	281,751	-		281,751
Improvements	322,159	-	-	322,159
Sewer Collection System	1,753,547	38,700	-	1,792,247
Wastewater Treatment System	6,722,399	679,755	-	7,402,154
Vehicles & Equipment	179,757	-	-	179,757
Total Capital Assets, Being Depreciated	9,259,613	718,455	-	9,978,068
Less Accumulated Depreciation:				
Buildings	(127,494)	(4,852)	-	(132,346)
Improvements	(79,539)	(9,709)	-	(89,248)
Sewer Collection System	(392,467)	(70,779)	-	(463,246)
Wastewater Treatment System	(2,843,949)	(251,912)	-	(3,095,861)
Vehicles & Equipment	(93,646)	(7,974)	-	(101,620)
Total Accumulated Depreciation	(3,537,095)	(345,226)	-	(3,882,321)
Total Capital Assets, Being Depreciated, Net	5,722,518	373,229	-	6,095,747
Total Capital Assets, Governmental Activities, Net	\$ 6,059,457	\$ 373,229	\$ (42,104)	\$ 6,390,582

NOTE 5: Long-Term Debt

Governmental Activities

The following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2023:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due in One Year
Governmental Activities:					
2021 Financed Purchase - Dump Truck	\$ 122,107	\$ -	\$ 39,442	\$ 82,665	\$ 40,690
2020 Financed Purchase - Dump Truck	82,637	-	40,690	41,947	41,947
Lease Payable	247,645	885,031	161,287	971,389	257,865
Compensated Absences	222,565	94,125	17,653	299,037	29,904
Total Long-Term Debt, Governmental Activities	\$ 674,954	\$ 979,156	\$ 259,072	\$ 1,395,038	\$ 370,406

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

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: Long-Term Debt (Continued)

Governmental Activities (Continued)

Financed Purchase Agreement

In May 2021, the Town entered into a financed purchase agreement for the acquisition of a dump truck valued at \$203,637. Payments are made annually in the amount of \$43,243 beginning in May 2021, through May 2025, with interest at 3.03% per annum. The dump truck has an estimated useful life of fifteen years. At December 31, 2023, the dump truck had a net book value of \$169,698, with a depreciation expense of \$13,576 in 2023.

In December 2020, the Town entered into a financed purchase agreement for the acquisition of a dump truck valued at \$204,373. Payments are made annually in the amount of \$43,243 beginning in December 2020, through December 2024, with an interest rate at 3.03% per annum. The dump truck has an estimated useful life of fifteen years. At December 31, 2023, the dump truck had a net book value of \$163,499, with a depreciation expense of \$13,625 in 2023.

The future minimum financed purchase payments of principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 82,637	\$ 3,850	\$ 86,487
2025	41,947	1,296	43,243
Total	<u>\$ 124,584</u>	<u>\$ 5,146</u>	<u>\$ 129,730</u>

The Town entered into a master equity lease agreement (lease agreement) with Enterprise FM Trust for the lease of vehicles and equipment. The Town agreed to pay monthly rental and other payments for the use of vehicles and equipment based on the terms of the lease and return the vehicles and equipment at the end of the lease term. In 2023, the Town leased nineteen various vehicles and equipment with an asset value of \$882,889, with a total outstanding lease payable at December 31, 2023, in the amount of \$969,611. Payments are made monthly ranging from \$679 to \$1,262 beginning in January 2021, through September 2028, with comparable incremental borrowing rates ranging between 3.5% and 5% per annum. The nineteen vehicles and equipment have an estimated cost ranging between \$23,679 and \$51,920 with an estimated useful life of the term of the lease ranging between 48 and 60 months from the start of date of delivery. At December 31, 2023, the vehicles and equipment had a net book value of \$1,195,184, with a total amortization expense of \$183,340 in 2023.

The future minimum lease payments of principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 257,865	\$ 40,978	\$ 298,843
2025	254,514	28,951	283,465
2026	246,853	16,944	263,797
2027	144,554	6,877	151,431
2028	67,603	1,336	68,939
Total	<u>\$ 971,389</u>	<u>\$ 95,086</u>	<u>\$ 1,066,475</u>

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: Long-Term Debt (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions of the business-type activities for the year ended December 31, 2023:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due in One Year
Business-Type Activities:					
CWRPDA Note Payable	\$ 1,471,196	\$ -	\$ 79,497	\$ 1,391,699	\$ 82,296
CWRPDA Premium	49,993	-	3,763	46,230	-
Compensated Absences	10,950	19,601	16,690	13,861	1,386
Total Long-Term Debt, Business-Type Activities	<u>\$ 1,532,139</u>	<u>\$ 19,601</u>	<u>\$ 99,950</u>	<u>\$ 1,451,790</u>	<u>\$ 83,682</u>

In May 2007, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority for financing the wastewater treatment system project. This loan was restructured in April 2017 to extend the term an additional ten years. Payments are made semi-annually on February 1st and August 1st, with a fixed interest rate of 3.49% per annum. The final payment on the loan will be made on February 1, 2037. The loan requires a restricted operations and maintenance reserve equal to three months of budgeted operations and maintenance expenses, excluding depreciation expense, not to exceed \$1,250,000. At December 31, 2023, the restricted reserve was \$175,673. The Town pledged sewer revenues for the repayment of the loan, and the sewer utility rates may be adjusted to meet loan requirements. In the event of default, the loan is secured by pledged revenues in addition to determined or available equitable remedy.

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 pledged net revenues equal to 110% of the maximum annual debt service of the loan. In 2023, the pledged net revenues were \$532,347 and a maximum annual debt service in the amount of \$143,169, with a net revenue excess of \$389,178. At December 31, 2023, the Town was in compliance with the covenant.

Future debt service requirements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 82,296	\$ 47,858	\$ 130,154
2025	85,193	44,961	130,154
2026	88,192	41,962	130,154
2027	91,297	38,857	130,154
2028	94,511	35,643	130,154
2029-2033	524,870	125,903	650,773
2034-2037	425,340	30,202	455,542
Total	<u>\$ 1,391,699</u>	<u>\$ 365,386</u>	<u>\$ 1,757,085</u>

NOTE 6: 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.

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6: Risk Management (Continued)

The Town participates in 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, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, and officers.

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

NOTE 7: Employee Retirement Plans

Police Pension Plan

Plan Description - The Town contributes to the Statewide Defined Benefit Plan (the SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan. The SWDB Plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The SWDB Plan 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 (the SWDD plan), which is also administered by the FPPA as a non-contributory plan. Full-time police officers of the Town are members of the SWDB Plan and the SWDD Plan. Local revenue sources are responsible for funding of the death and disability benefits for firefighters hired on or after January 1, 1997.

Title 31, Article 31 of the Colorado Revised Statutes (CRS) grants the authority to establish and amend benefit terms to the FPPA Board of Directors. FPPA issues a publicly available financial report that includes information on the plans. That report may be obtained at www.fppaco.org.

Benefits Provided - A SWDB Plan 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' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007, for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Employee Retirement Plans (Continued)

Police Pension Plan (Continued)

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% 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' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Contributions - The Town and eligible employees are required to contribute to the SWDB Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The Town and eligible employees each contributed 9.5% and 12.0% of base salary, respectively, for the year ended December 31, 2023.

SWDB Plan members elected to increase the employee contribution rate 0.5% annually through 2022, to a total of 12.0% of pensionable earnings. Employer contributions will increase 0.5% annually through 2030 to a total of 13.0% of pensionable earnings. In 2023, the Town's contribution to the SWDB plan was \$115,090.

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

At December 31, 2023, the Town reported a net pension liability of \$102,505 for its proportionate share of the SWDB Plan.

The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's contributions to the Plan for the calendar year ended December 31, 2022, relative to the projected contributions of all participating employers.

At December 31, 2022, the Town's proportion was 0.11548476%, which was an increase of 0.01839283% from its proportion measured at December 31, 2021.

For the year ended December 31, 2023, the Town recognized pension expense (income) of \$35,810. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Employee Retirement Plans (Continued)

Police Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 210,834	\$ 12,147
Changes of assumptions	123,654	-
Net difference between projected and actual earnings on plan investments	231,967	-
Changes in proportion	-	172,771
Contributions subsequent to the measurement date	115,090	-
Total	<u>\$ 681,545</u>	<u>\$ 184,918</u>

Town contributions subsequent to the measurement date of \$115,090 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,

2024	\$ 20,578
2025	64,263
2026	109,192
2027	165,279
2028	13,813
Thereafter	8,412
Total	<u>\$ 381,537</u>

Actuarial Assumptions - The actuarial valuation as of January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial Method	Entry Age Normal
Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected salary increases, including inflation	4.25% - 11.25%
Cost of living adjustments (COLA)	0.0%

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Employee Retirement Plans (Continued)

Police Pension Plan (Continued)

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

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

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

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

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%). Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income	10%	5.45%
Absolute Return	5%	6.90%
Managed Futures	9%	6.49%
Cash	1%	3.92%
Total	100%	

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Employee Retirement Plans (Continued)

Police Pension Plan (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7%. The municipal bond rate is 4.05%, based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release. The resulting single discount rate is 7% percent.

Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents the plan's net pension liability (asset), calculated using a single discount rate of 7%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Proportionate share of the SWDB net pension (asset) liability	<u>\$ 706,659</u>	<u>\$ 102,505</u>	<u>\$ (397,929)</u>

457 Deferred Compensation Plan

Under Resolution No. 30-R-2015, the Town has 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 \$123,161, including \$28,121 of Roth contributions, and the Town contributed \$85,636.

Defined Contribution Retirement Plan

The Town agreed to establish a 401(a) defined contribution retirement plan for the Town Manager. The Town agrees to contribute an amount up to 12% of the Town Manager's base salary. Nationwide Retirement Solutions administers the plan. In 2023, the Town contributed \$28,327.

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 8: Other Postemployment Benefits

Statewide Death and Disability Plan

Plan Description - The Town contributes to the Statewide Death and Disability Plan (the SD&D 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 at www.fppaco.org.

Benefits Provided - The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children.
- On-duty: 70% of the base salary paid to the member prior to death.

Disability benefits are as follows:

- 70% of the base salary preceding disability.
- Permanent occupational disability: 50% of the base salary preceding disability.
- Temporary occupational disability: 40% of the base salary preceding disability for up to 5 years.

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect CPI, but in no case may be higher than 3%.

Once a member is eligible to retire, all plan benefit obligations cease.

Contributions - The contribution requirements are established by State statutes. However, in accordance with Colorado Revised Statutes (CRS) 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary. As of 2020, the FPPA Board may adjust the required contribution rate annually by a maximum of 0.2%.

The Town's Board of Trustees determines the contribution split between members and the Town. For members hired on or after January 1, 1997, the Town contributed 3.4% of base salaries on behalf of the members during the year ended December 31, 2023. The Town has no requirement to make contributions to the plan. Any contributions to the SD&D Plan are considered to be "member contributions". For the year ended December 31, 2023, the Town's contributions to the plan were \$41,190.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Town has no requirement to contribute to the plan and does not receive contributions from a non-employer entity. Therefore, the Town does not report a net OPEB liability, or deferred outflows and inflows of resources related to OPEB.

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

TOWN OF MEAD, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 9: Commitments and Contingencies

Claims and Judgments

The Town participates in a number of federal, state, and local 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. At December 31, 2023, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. 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, 2023, the emergency reserve of \$435,000 was reported as restricted fund balance in the General Fund.

Litigation

The Town from time to time is involved in various legal matters. In the opinion of the Town's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the Town.

NOTE 10: Subsequent Events

In November 2023, Colorado Proposition HH, Property Tax Changes and Revenue Change Measure (2023) was rejected by the voters. Because this proposition, if passed, would affect mill levy rates and actual property values, the deadlines for certain required reporting dates were delayed by the Colorado Department of Local Affairs Division of Property Taxation as follows:

- Final certification of property values for all local governments was delayed from December 10th, 2023, to December 29th, 2023.
- For all local governments, including school districts, the reporting certification of levies was delayed from December 15th, 2023, to January 5th, 2024.

In accordance with this adjusted timeline, the Town certified its 2023 General Fund and Elevation 25 General Improvement District Mill Levies of \$2,972,930 and \$10,260, respectively, in January 2024. It had no related property tax receivable and related deferred inflows of resources at December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property Taxes	\$ 1,590,197	\$ 1,598,440	\$ 8,243
Specific Ownership Taxes	91,627	81,622	(10,005)
Sales and Use Taxes	4,420,205	4,627,258	207,053
Other Taxes	237,250	287,461	50,211
Total Taxes	<u>6,339,279</u>	<u>6,594,781</u>	<u>255,502</u>
Intergovernmental			
Mineral Lease	35,000	52,135	17,135
State Serverance	50,000	217,697	167,697
MURA Revenue Sharing	150,778	150,342	(436)
Other	321,932	58,030	(263,902)
Total Intergovernmental	<u>557,710</u>	<u>478,204</u>	<u>(79,506)</u>
Licenses and Permits			
Liquor Licenses	1,500	3,011	1,511
Building Permits	857,195	723,630	(133,565)
Business Licenses	10,500	16,870	6,370
Animal Licenses	650	665	15
Other Licenses and Permits	514,200	243,322	(270,878)
Total Licenses and Permits	<u>1,384,045</u>	<u>987,498</u>	<u>(396,547)</u>
Fines and Forfeitures	<u>40,500</u>	<u>51,490</u>	<u>10,990</u>
Charges for Services			
Recreation Fees	40,400	64,975	24,575
Other Charges for Services	456,161	529,794	73,633
Total Charges for Services	<u>496,561</u>	<u>594,769</u>	<u>98,208</u>
Investment Income	<u>192,000</u>	<u>608,540</u>	<u>416,540</u>
Other Revenues			
Grants and Donations	127,750	31,346	(96,404)
Other Miscellaneous Revenues	12,000	127,463	115,463
Total Other Revenues	<u>139,750</u>	<u>158,809</u>	<u>19,059</u>
TOTAL REVENUES	<u>9,149,845</u>	<u>9,474,091</u>	<u>324,246</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES			
Current			
General Government	1,398,687	1,435,211	(36,524)
Community Development	875,563	789,144	86,419
Public Safety	2,912,483	2,443,718	468,765
Public Works	630,754	818,901	(188,147)
Parks and Recreation	1,286,975	1,205,265	81,710
Capital Outlay	299,932	174,592	125,340
Debt Service			
Principal	-	14,485	(14,485)
Interest	-	2,331	(2,331)
 TOTAL EXPENDITURES	 <u>7,404,394</u>	 <u>6,883,647</u>	 <u>520,747</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>1,745,451</u>	 <u>2,590,444</u>	 <u>844,993</u>
 OTHER FINANCING SOURCES (USES)			
Lease Proceeds	-	59,544	59,544
Proceeds from the Sale of Capital Assets	10,000	81,550	71,550
Transfers Out	(1,755,451)	(1,755,451)	-
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(1,745,451)</u>	 <u>(1,614,357)</u>	 <u>131,094</u>
 CHANGE IN FUND BALANCE	 -	 976,087	 976,087
 FUND BALANCE, Beginning	 <u>6,482,527</u>	 <u>6,562,354</u>	 <u>79,827</u>
 FUND BALANCE, Ending	 <u>\$ 6,482,527</u>	 <u>\$ 7,538,441</u>	 <u>\$ 1,055,914</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
MEAD URBAN RENEWAL AUTHORITY FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Taxes	\$ 2,919,445	\$ 3,032,291	\$ 112,846
Investment Income	29,295	160,283	130,988
	<u>2,948,740</u>	<u>3,192,574</u>	<u>243,834</u>
TOTAL REVENUES			
EXPENDITURES			
General Government			
Administration	4,123,070	2,450,418	1,672,652
Capital Outlay	50,000	-	50,000
	<u>4,173,070</u>	<u>2,450,418</u>	<u>1,722,652</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,224,330)</u>	<u>742,156</u>	<u>1,966,486</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(1,724,330)	242,156	1,966,486
FUND BALANCE, Beginning	<u>3,033,917</u>	<u>3,091,475</u>	<u>57,558</u>
FUND BALANCE, Ending	<u>\$ 1,309,587</u>	<u>\$ 3,333,631</u>	<u>\$ 2,024,044</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL FACILITIES FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Impact Fees	\$ 1,284,309	\$ 582,989	\$ (701,320)
Intergovernmental	40,000	21,098	(18,902)
Investment Income	63,525	152,150	88,625
	<u>1,387,834</u>	<u>756,237</u>	<u>(631,597)</u>
TOTAL REVENUES			
EXPENDITURES			
Administration	30,000	14,240	15,760
Public Works	575,000	3,311	571,689
Parks and Recreation	-	4,205	(4,205)
Capital Outlay	5,485,000	1,536,197	3,948,803
Debt Service			
Principal	140,897	136,863	4,034
Interest and Fiscal Charges	21,062	14,375	6,687
	<u>6,251,959</u>	<u>1,709,191</u>	<u>4,542,768</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,864,125)</u>	<u>(952,954)</u>	<u>3,911,171</u>
OTHER FINANCING SOURCES			
Lease Proceeds	-	66,803	66,803
Transfers In	2,300,000	2,300,000	-
	<u>2,300,000</u>	<u>2,366,803</u>	<u>66,803</u>
TOTAL OTHER FINANCING SOURCES			
CHANGE IN FUND BALANCE	(2,564,125)	1,413,849	3,977,974
FUND BALANCE, Beginning	<u>2,621,007</u>	<u>2,394,772</u>	<u>(226,235)</u>
FUND BALANCE, Ending	\$ <u><u>56,882</u></u>	\$ <u><u>3,808,621</u></u>	\$ <u><u>3,751,739</u></u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Impact Fees	\$ 2,056,551	\$ 699,138	\$ (1,357,413)
Intergovernmental	2,925,167	415,301	(2,509,866)
Capital Contributions	500,000	146,342	(353,658)
Investment Income	-	327,232	327,232
	<u>5,481,718</u>	<u>1,588,013</u>	<u>(3,893,705)</u>
TOTAL REVENUES			
EXPENDITURES			
Public Works	20,000	3,150	16,850
Capital Outlay	8,548,970	1,811,513	6,737,457
Contingency Reserve	175,000	-	175,000
	<u>8,743,970</u>	<u>1,814,663</u>	<u>6,929,307</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,262,252)</u>	<u>(226,650)</u>	<u>3,035,602</u>
OTHER FINANCING SOURCES			
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(2,762,252)	273,350	3,035,602
FUND BALANCE, Beginning	<u>5,976,243</u>	<u>6,403,668</u>	<u>427,425</u>
FUND BALANCE, Ending	<u>\$ 3,213,991</u>	<u>\$ 6,677,018</u>	<u>\$ 3,463,027</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
STREET IMPROVEMENT FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Sales and Use Taxes	\$ 2,445,293	\$ 2,299,848	\$ (145,445)
Intergovernmental	27,193	347,699	320,506
Licenses and Permits	-	116,537	116,537
Investment Income	-	110,316	110,316
	<u>2,472,486</u>	<u>2,874,400</u>	<u>401,914</u>
TOTAL REVENUES	<u>2,472,486</u>	<u>2,874,400</u>	<u>401,914</u>
EXPENDITURES			
Public Works	3,946,092	3,118,128	827,964
Capital Outlay	205,000	617,803	(412,803)
Debt Service			-
Principal	-	37,210	(37,210)
Interest	-	6,749	(6,749)
	<u>4,151,092</u>	<u>3,779,890</u>	<u>371,202</u>
TOTAL EXPENDITURES	<u>4,151,092</u>	<u>3,779,890</u>	<u>371,202</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,678,606)</u>	<u>(905,490)</u>	<u>773,116</u>
OTHER FINANCING SOURCES			
Lease Proceeds	-	474,441	474,441
Transfers In	375,000	375,000	-
	<u>375,000</u>	<u>849,441</u>	<u>474,441</u>
TOTAL OTHER FINANCING SOURCES	<u>375,000</u>	<u>849,441</u>	<u>474,441</u>
CHANGE IN FUND BALANCE	(1,303,606)	(56,049)	1,247,557
FUND BALANCE, Beginning	<u>1,995,015</u>	<u>2,037,788</u>	<u>42,773</u>
FUND BALANCE, Ending	<u>\$ 691,409</u>	<u>\$ 1,981,739</u>	<u>\$ 1,290,330</u>

TOWN OF MEAD, COLORADO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PLAN
December 31, 2023

FISCAL YEAR	2023	2022
Plan Measurement Date	December 31, 2022	December 31, 2021
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY		
Town's Proportion of the Net Pension Asset (Liability)	0.11548476%	0.09709193%
Town's Proportionate Share of the Net Pension Asset (Liability)	\$ (102,505)	\$ 526,174
Town's Covered Payroll	\$ 1,006,248	\$ 780,216
Town's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	-10.2%	67.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	97.6%	116.2%
FISCAL YEAR	2023	2022
Town Contributions		
Statutorily Required Contribution	\$ 115,090	\$ 90,426
Contributions in Relation to the Statutorily Required Contribution	(115,090)	(90,426)
Contribution Deficiency (Excess)	\$ -	\$ -
Town's Covered Payroll	\$ 1,211,484	\$ 1,006,248
Contributions as a Percentage of Covered Payroll	9.5%	9.0%

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

<u>2021</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
0.07920886%	0.06352669%	0.03626892%	0.03490164%
\$ 171,963	\$ 35,928	\$ (45,854)	\$ 50,212
\$ 643,912	\$ 494,759	\$ 248,950	\$ 164,885
26.7%	7.3%	-18.4%	30.5%
106.7%	101.9%	95.2%	106.3%
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 66,318	\$ 51,513	\$ 37,457	\$ 19,436
<u>(66,318)</u>	<u>(51,513)</u>	<u>(37,457)</u>	<u>(19,436)</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 780,216	\$ 643,912	\$ 494,759	\$ 248,950
8.5%	8.0%	7.6%	7.8%

TOWN OF MEAD, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures. The Town adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Expenditures may not legally exceed appropriations at the fund level. The Town adopted Resolution No. 1, Series of 2019, which authorizes the Town Administrator to transfer budgeted amounts between objects and purposes within a fund up to \$5,000. Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- 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 Board of Trustees.

NOTE 2: Significant Assumptions in the Actuarially Determined Pension Plan

An actuarial valuation is performed every two years to determine the pension benefit obligation. The latest available actuarial valuation was performed as of January 1, 2023. The measurement date was December 31, 2022. The following assumptions were used in computing the pension benefit obligation for this plan:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per Year of Eligibility until 100% at Age 65

Pre-retirement mortality assumptions were based upon the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

Post-retirement mortality assumptions were based upon the 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled mortality assumptions were based upon the 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

TOWN OF MEAD, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 2: Significant Assumptions in the Actuarially Determined Pension Plan (Continued)

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2022. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023, and as such, the Total Pension Liability was measured using those assumptions for the fiscal year ended December 31, 2023, with a one-year lag.

SUPPLEMENTARY INFORMATION

TOWN OF MEAD, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	CONSERVATION TRUST	PARKS AND OPEN SPACE	POLICE IMPACT	TOTAL
ASSETS				
Cash and Investments	\$ 112,856	\$ 472,938	\$ 158,445	\$ 744,239
LIABILITIES				
Accounts Payable	\$ -	\$ 12,632	\$ -	\$ 12,632
FUND BALANCES				
Restricted for:				
Conservation Trust	112,856	-	-	112,856
Parks and Open Space	-	460,306	-	460,306
Police Impact	-	-	158,445	158,445
TOTAL FUND BALANCES	112,856	460,306	158,445	731,607
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,856	\$ 472,938	\$ 158,445	\$ 744,239

TOWN OF MEAD, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	CONSERVATION TRUST	PARKS AND OPEN SPACE	POLICE IMPACT	TOTAL
REVENUES				
Impact Fees	\$ -	\$ 312,445	\$ 61,112	\$ 373,557
Intergovernmental	73,174	-	-	73,174
Investment Income	3,554	58,123	9,219	70,896
TOTAL REVENUES	76,728	370,568	70,331	517,627
EXPENDITURES				
Current				
Public Safety	-	-	43,232	43,232
Capital Outlay	-	140,922	343,782	484,704
Debt Service				
Principal	-	-	52,861	52,861
Interest and Fiscal Charges	-	-	6,922	6,922
TOTAL EXPENDITURES	-	140,922	446,797	587,719
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	76,728	229,646	(376,466)	(70,092)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	284,243	284,243
Transfers Out	-	(1,500,000)	-	(1,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,500,000)	284,243	(1,215,757)
CHANGES IN FUND BALANCES	76,728	(1,270,354)	(92,223)	(1,285,849)
FUND BALANCES, Beginning	36,128	1,730,660	250,668	2,017,456
FUND BALANCES, Ending	\$ 112,856	\$ 460,306	\$ 158,445	\$ 731,607

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	\$ 61,523	\$ 73,174	\$ 11,651
Investment Income	<u>-</u>	<u>3,554</u>	<u>3,554</u>
 TOTAL REVENUES	 <u>61,523</u>	 <u>76,728</u>	 <u>15,205</u>
EXPENDITURES			
Capital Outlay	<u>98,500</u>	<u>-</u>	<u>98,500</u>
 CHANGE IN FUND BALANCE	 (36,977)	 76,728	 113,705
 FUND BALANCE, Beginning	 <u>37,046</u>	 <u>36,128</u>	 <u>(918)</u>
 FUND BALANCE, Ending	 <u><u>\$ 69</u></u>	 <u><u>\$ 112,856</u></u>	 <u><u>\$ 112,787</u></u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS AND OPEN SPACE FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Impact Fees	\$ 666,020	\$ 312,445	\$ (353,575)
Intergovernmental	100,000	-	(100,000)
Investment Income	-	58,123	58,123
	<u>766,020</u>	<u>370,568</u>	<u>(395,452)</u>
TOTAL REVENUES			
EXPENDITURES			
Parks and Open Space	130,000	-	130,000
Capital Outlay	725,000	140,922	584,078
	<u>855,000</u>	<u>140,922</u>	<u>714,078</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(88,980)</u>	<u>229,646</u>	<u>318,626</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(1,588,980)	(1,270,354)	318,626
FUND BALANCE, Beginning	<u>1,597,003</u>	<u>1,730,660</u>	<u>133,657</u>
FUND BALANCE, Ending	\$ <u><u>8,023</u></u>	\$ <u><u>460,306</u></u>	\$ <u><u>452,283</u></u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
POLICE IMPACT FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Impact Fees	\$ 150,321	\$ 61,112	\$ (89,209)
Investment Income	<u>5,400</u>	<u>9,219</u>	<u>3,819</u>
 TOTAL REVENUES	 <u>155,721</u>	 <u>70,331</u>	 <u>(85,390)</u>
EXPENDITURES			
Public Safety	-	43,232	(43,232)
Capital Outlay	225,000	343,782	(118,782)
Debt Service			
Principal	86,925	52,861	34,064
Interest and Fiscal Charges	<u>-</u>	<u>6,922</u>	<u>(6,922)</u>
 TOTAL EXPENDITURES	 <u>311,925</u>	 <u>446,797</u>	 <u>(134,872)</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(156,204)</u>	 <u>(376,466)</u>	 <u>(220,262)</u>
OTHER FINANCING SOURCES			
Lease Proceeds	<u>-</u>	<u>284,243</u>	<u>284,243</u>
 CHANGE IN FUND BALANCE	 (156,204)	 (92,223)	 63,981
 FUND BALANCE, Beginning	 <u>168,848</u>	 <u>250,668</u>	 <u>81,820</u>
 FUND BALANCE, Ending	 <u>\$ 12,644</u>	 <u>\$ 158,445</u>	 <u>\$ 145,801</u>

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Investment Income	\$ 21,000	\$ 102,628	\$ 81,628
OTHER FINANCING SOURCES (USES)			
Transfers In	1,380,451	1,380,451	-
Transfers Out	(800,000)	(800,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	580,451	580,451	-
CHANGE IN FUND BALANCE	601,451	683,079	81,628
FUND BALANCE, Beginning	3,693,528	3,305,303	(388,225)
FUND BALANCE, Ending	\$ 4,294,979	\$ 3,988,382	\$ (306,597)

TOWN OF MEAD, COLORADO
BUDGETARY COMPARISON SCHEDULE
SEWER FUND (BUDGETARY BASIS TO GAAP BASIS)
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES			
Charges for Services	\$ 982,183	\$ 955,354	\$ (26,829)
Miscellaneous	16,000	16,145	145
TOTAL OPERATING REVENUES	998,183	971,499	(26,684)
OPERATING EXPENSES			
Administration	357,123	338,800	18,323
Operations	504,297	363,899	140,398
Capital Outlay	515,700	676,351	(160,651)
TOTAL OPERATING EXPENSES	1,377,120	1,379,050	(1,930)
NET OPERATING INCOME (LOSS)	(378,937)	(407,551)	(28,614)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	36,000	76,330	40,330
Debt Service			
Principal	(79,497)	(79,497)	-
Interest and Fiscal Charges	(50,657)	(50,657)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(94,154)	(53,824)	40,330
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	(473,091)	(461,375)	11,716
CAPITAL CHARGES			
Sewer Tap Fees	494,932	187,218	(307,714)
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ 21,841	\$ (274,157)	\$ (295,998)
RECONCILIATION TO GAAP BASIS			
Capital Outlay		676,351	
Debt Principal		79,497	
Debt Premium Amortization		3,763	
Change in Accrued Interest		1,155	
Depreciation		(345,226)	
CHANGE IN NET POSITION, GAAP Basis		141,383	

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 2023
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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	8,824,718
3. Other local imposts (from page 2)	2,579,204
4. Miscellaneous local receipts (from page 2)	698,542
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	12,102,464
B. Private Contributions	
C. Receipts from State government (from page 2)	694,036
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	12,796,500

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,478,431
2. Maintenance:	2,616,167
3. Road and street services:	
a. Traffic control operations	319,280
b. Snow and ice removal	118,519
c. Other	
d. Total (a. through c.)	437,799
4. General administration & miscellaneous	64,161
5. Highway law enforcement and safety	1,004,136
6. Total (1 through 5)	5,600,694
B. Debt service on local obligations:	
1. Bonds:	
a. Interest & Costs of Issuance	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	13,075
b. Redemption	117,370
c. Total (a. + b.)	130,445
3. Total (1.c + 2.c)	130,445
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	5,731,139

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)	351,677	0	227,093	124,584

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,593,395	12,796,500	5,731,139	8,658,756	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2023	
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	437,550
b. Other local imposts:		b. Traffic Fines & Penalties	45,686
1. Sales Taxes & Use Taxes	2,299,848	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	81,198	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	116,536	f. Charges for Services	
5. Specific Ownership &/or Other	81,622	g. Other Mis Developer Contrib's in Lieu	146,342
6. Total (1. through 5.)	2,579,204	h. Other County Road & Bridge Tax	68,964
c. Total (a. + b.)	2,579,204	i. Total (a. through h.)	698,542
	(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	252,488	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	26,247	d. Federal Transit Admin	
d. Other State of Colorado Grants	356,816	e. U.S. Corps of Engineers	
e. Other (Specify) CML Grant	58,485	f. Other Federal	
f. Total (a. through e.)	441,548	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	694,036	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		1,054,368	1,054,368
(3). System Preservation		238,807	238,807
(4). System Enhancement & Operation		185,256	185,256
(5). Total Construction (1) + (2) + (3) + (4)	0	1,478,431	1,478,431
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,478,431	1,478,431
			(Carry forward to page 1)
Notes and Comments:			