Town of Milliken, Colorado

Financial Statements and Supplementary Information
For the Year Ended December 31, 2017

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Anton Collins Mitchell LLP
Accountants & Consultants

An Independent Member of BDO Seidman Alliance

Town of Milliken, Colorado

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Town of Milliken, Colorado

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Anton Collins Mitchell LLP
Accountants & Consultants

Independent Auditor's Report

The Mayor and Members of the Board of Trustees
Town of Milliken,
Milliken, CO

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements.

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining

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fund information of the Town of Milliken, CO, as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, and the required supplementary information including budget to actual and pension related schedules on pages 42 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Anton Collins Mitchell LLP

Greeley, CO
September 26, 2018

Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2017

As Management of the Town of Milliken (the "Town"), we are pleased to present the basic financial statements of the Town's financial activities for the year ended December 31, 2017. We also offer this narrative and analysis to help guide the reader in understanding the Town's financial position, the fiscal reflection of the decisions adopted by the Board of Trustees, and the administration and execution of those decisions by Town Staff. We encourage readers to review and consider the information presented here in conjunction with additional information provided in the Financial Statements.

FINANCIAL HIGHLIGHTS

The Town ended the year in a strong financial position and is well-prepared to fund the operations and capital projects slated for 2018. The general operations of the Town are primarily funded by property and sales and use tax revenues. The water and sewer utilities as well as the trash collection and stormwater activities are funded by service charges to customers designed to recover long-term costs of operations and continue to provide quality services to Town residents.

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources (Net Position) by $51,953,044 at the close of 2017. Of this amount, $6,942,405 (13.4%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's Net Position increased by $5,455,292 in 2017. This increase is significantly attributable to the increase in building activity in 2017 which lead to an increase in Building Permit revenue and Impact Fees in the Governmental Activities and the Capital Investment Fees in the Water and Sewer Funds (Business-Type Activities).
- Property Tax revenues increased in accordance with revenue limits.
- At December 31, 2017, the combined fund balance for the Town's Governmental Funds was $6,017,877, an increase of $834,343 from 2016. Nearly fifty three percent (50%), or $2,982,964 of this balance, is unassigned and available for spending at the Town's discretion.
- General Fund expenditures increased slightly (just over 2%) compared to 2016 while revenue increased approximately 6% compared to 2016. This resulted in a net increase to the fund balance of the Town's General Fund of $641,946.

USING THIS ANNUAL REPORT

The basic financial statements of the Town are comprised of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements. Below is a brief description of the nature and purpose of each component.

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. These statements distinguish functions of the Town 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 Town Board, Municipal Court, Administration, Public Safety, Community Development, Public Works, Facilities Maintenance, Parks and Open Space, and Community Festivals. The Business-Type Activities of the Town include Water, Sewer, Trash and Stormwater.

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

The ***Statement of Activities*** presents information showing how the Town's Net Position changed during the 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 for some items reported in this statement will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

Fund Financial Statements

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

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

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Activities in the *Governmental Funds* with similar information presented for *Governmental Activities* in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *Governmental Funds* and *Governmental Activities*.

The Town presents seven individual Governmental Funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and other Major Funds. The Non-Major Funds are combined and reported as *Other Governmental Funds* into a single, aggregated presentation. Individual fund data for each of these Non-Major Governmental Funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The Town maintains one type of Proprietary Fund - an *Enterprise Fund* - to account for its Water, Sewer, Trash and Stormwater Funds. *Enterprise Funds* are used to report the same functions presented as *Business-Type Activities* in the Government-Wide Financial Statements. These funds are considered to be Major Funds of the Town.

Notes to Financial Statements
The Notes provide additional information that is essential to a full understanding of the data provided in the financial statements and offer helpful insights into the transactions that are reflected on all levels of these Financial Statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted previously, Net Position may serve as a useful indicator of the Town's financial position over time. For the year ending December 31, 2017, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $52 million, compared to $46.5 million in 2016.

CONDENSED STATEMENT OF NET POSITION
December 31, 2017 and 2016

	2017			2016	
	Governmental Activities	Business-Type Activities	Total	Total	Percent Change
Assets					
Current and other assets	$ 8,705,172	$ 11,191,510	$19,896,682	$16,280,723	22.00%
Capital assets - net	15,193,801	24,635,346	39,829,147	39,216,683	2.00%
Total assets	23,898,973	35,826,856	59,725,829	55,497,406	8.00%
Deferred outflows of resources					
Pension plan	252,755	-	252,755	168,224	50.00%
Liabilities					
Current and other liabilities	509,639	129,740	639,379	1,778,053	-64.00%
Long-term liabilities	2,156,499	3,097,769	5,254,268	5,455,054	-4.00%
Total liabilities	2,666,138	3,227,509	5,893,647	7,233,107	-19.00%
Deferred inflows of resources					
Pension plan	6,860	-	6,860	2,175	215.00%
Unearned revenue - property taxes	2,125,033	-	2,125,033	1,932,596	10.00%
Total liabilities	2,131,893	-	2,131,893	1,934,771	10.00%
Net position					
Net investment in capital assets	13,183,801	21,537,577	34,721,378	33,464,313	4.00%
Restricted	1,344,753	8,944,508	10,289,261	7,629,040	35.00%
Unrestricted	4,825,143	2,117,262	6,942,405	5,404,399	28.00%
Total net position	$19,353,697	$ 32,599,347	$51,953,044	$46,497,752	12.00%

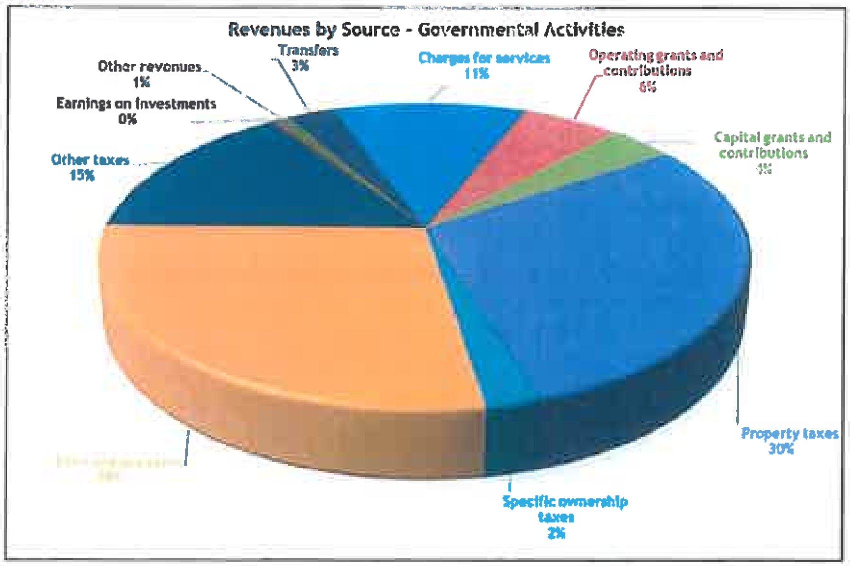
Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2017

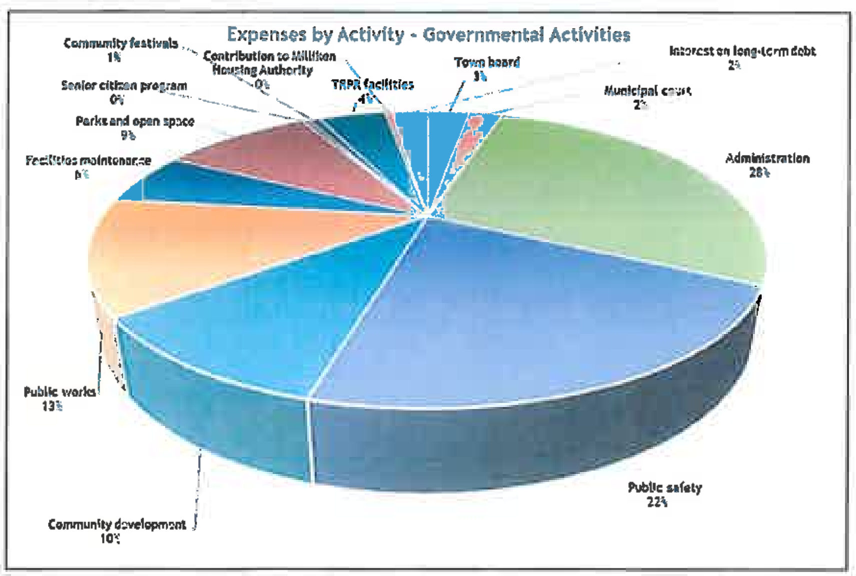
CONDENSED STATEMENT OF ACTIVITIES
Years Ended December 31, 2017 and 2016

	2017			2016	
	Governmental Activities	Business-Type Activities	Total	Total	Percent Change
Revenues					
Program revenues					
Charges for services	$ 738,148	$ 3,315,928	$ 4,054,076	$ 4,449,541	-9.00%
Operating grants and contributions	378,317	-	378,317	586,908	-36.00%
Capital grants and contributions	243,735	3,825,804	4,069,539	1,742,470	134.00%
General revenues					
Property taxes	1,895,117	-	1,895,117	2,291,625	-17.00%
Specific ownership taxes	150,081	-	150,081	137,199	9.00%
Sales and use taxes	1,786,824	-	1,786,824	1,293,391	38.00%
Other taxes and fees	974,363	-	974,363	913,606	7.00%
Earnings on investments	24,201	31,914	56,115	37,437	50.00%
Other revenues	49,586	112,780	162,366	40,561	300.00%
Transfers	181,647	(181,647)	-	-	N/A
Total revenues	6,422,019	7,104,779	13,526,798	11,492,738	18.00%
Expenses					
Town board	125,853	-	125,853	93,141	35.00%
Municipal court	101,532	-	101,532	107,794	-6.00%
Administration	1,326,105	-	1,326,105	1,241,298	7.00%
Public safety	1,051,787	-	1,051,787	982,378	7.00%
Community development	488,383	-	488,383	454,519	7.00%
Public works	603,827	-	603,827	522,620	16.00%
Facilities maintenance	278,797	-	278,797	289,974	-4.00%
Parks and open space	444,875	-	444,875	550,546	-19.00%
Senior citizen program	17,437	-	17,437	34,000	-49.00%
Community festivals	34,620	-	34,620	28,067	23.00%
TRPR facilities	203,075	-	203,075	203,253	0.00%
Contribution to Milliken Housing Authority	20,000	-	20,000	10,000	100.00%
Interest on long-term debt	110,463	-	110,463	103,330	7.00%
Water	-	2,008,503	2,008,503	1,854,657	8.00%
Sewer	-	896,462	896,462	856,013	5.00%
Trash	-	359,787	359,787	326,688	10.00%
Total expenses	4,806,754	3,264,752	8,071,506	7,658,278	5.00%
Change in net position	1,615,265	3,840,027	5,455,292	3,834,460	42.00%
Net position, beginning of year	17,738,432	28,759,320	46,497,752	42,663,292	9.00%
Net position, end of year	$19,353,697	$ 32,599,347	$51,953,044	$46,497,752	12.00%

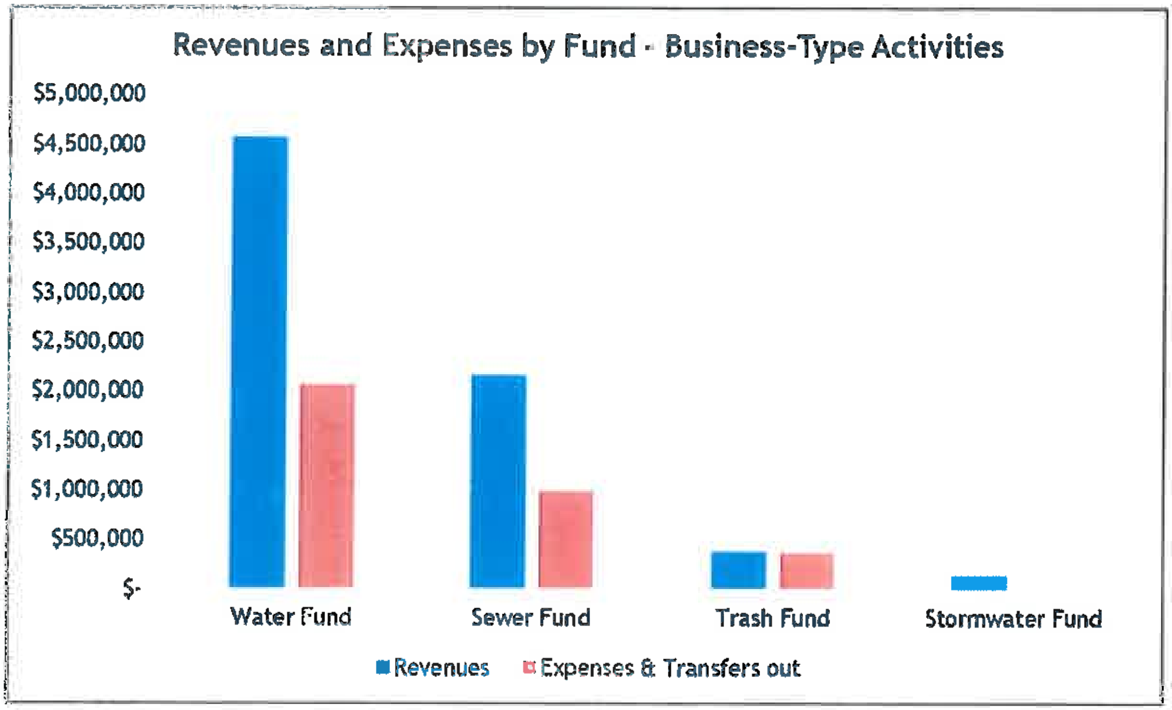
FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Activities. The focus of the Town's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements and in providing accountability for General Governmental Activities. The charts below illustrate the major sources of revenues, that funded the Town's General Governmental Activities for 2017 and where those funds were directed in meeting the needs of the Town. For example, they help visualize the significant contribution made by Property Taxes (30%) and Sales and Use Taxes (28%) to the Town's financial outlook. They also help demonstrate how the Town allocates these resources in providing a balanced menu of services to its citizens while carrying a relatively small amount of debt.





Business-Type Activities. The Net Position in the Town's Business-Type Activities increased by $3,840,027 in 2017. This surplus is primarily the result of increased construction activity, which brought in additional tap and plant investment fees. The Town is committed to maintaining financially sustainable water, sewer, trash and stormwater services and providing adequate funding for the capital improvements necessary to maintain quality service to its citizens. These recent surpluses will significantly assist the Town in funding important capital improvements.



General Fund Budgetary Highlights

The Town's General Fund earned revenues of $4,545,948, which was nearly $734,000 more than the Town's amended Budget. The primary sources of the revenue were property taxes ($1,743,128), sales and use taxes ($1,429,988) and building permits ($552,693). In addition to revenues coming in higher than budgeted, the Town also was well within the amount budgeted for appropriated expenditures. The net result was an increase to the Town's fund balance of $641,946. The amount in the ending fund balance for 2017, $3,302,350, is well in excess of the minimum target reserve of approximately $1,060,000 (25% of annual expenditures).

Capital Assets

At the end of the year, the Town's capital assets held, less accumulated depreciation, amounted to $39,829,147. These assets consists of land, infrastructure, utility distribution systems, property and equipment. The Town continues to invest in capital assets. During 2017, primary capital projects of the Town included paving of County Road 46, the Highway 60 Trail project, the South Side Pump Station project and the Sewer Encasement Project. Refer to Note 7 in the Notes to Financial Statements for more information.

Long-Term Debt

In 2017, the Town had no additions to long-term liabilities other than annual compensated absences of $74,077 and reduced long-term liabilities in the amount of $274,116 in governmental activities and $331,763 in business-type activities, ending the year with $2,122,799 outstanding in governmental activities and $3,097,769 outstanding in business-type activities.

Requests for Information

The Financial Report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Town of Milliken
P.O. Box 290
Milliken, CO 80543

Basic Financial Statements

Town of Milliken, Colorado
Statement of Net Position
December 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
Assets				
Equity in pooled cash and cash equivalents	$ 5,661,496	$ 9,308,885	$ 14,970,381	$ -
Cash and cash equivalents	-	-	-	67,630
Receivables, net	2,787,657	1,791,592	4,579,249	292,293
Prepaid items	37,628	17,365	54,993	-
Restricted pooled cash and cash equivalents	157,980	73,668	231,648	-
Capital assets, not being depreciated	1,630,366	11,773,129	13,403,495	-
Capital assets, being depreciated, net	13,563,435	12,862,217	26,425,652	-
Notes receivable	-	-	-	1,526,235
Net pension asset	60,411	-	60,411	-
Deferred outflows of resources				
Pension plan	252,755	-	252,755	-
Total assets and deferred outflows	24,151,728	35,826,856	59,978,584	1,886,158
Liabilities				
Accounts payable	93,353	59,452	152,805	-
Payroll liabilities payable	112,021	-	112,021	-
Accrued interest payable	7,788	35,766	43,554	-
Unearned revenue	10,000	-	10,000	-
Deposits payable	286,477	34,522	320,999	-
Noncurrent liabilities:				
Net pension liability	33,700	-	33,700	-
Accrued compensated absences	112,799	-	112,799	-
Due within one year	205,000	338,201	543,201	-
Due in more than one year	1,805,000	2,759,568	4,564,568	-
Total liabilities	2,666,138	3,227,509	5,893,647	-
Deferred inflows of resources				
Pension plan	6,860	-	6,860	-
Unearned revenue - property taxes	2,125,033	-	2,125,033	-
Total deferred inflows of resources	2,131,893	-	2,131,893	-
Net position				
Net investment in capital assets	13,183,801	21,537,577	34,721,378	-
Restricted for:				
Emergencies	179,758	-	179,758	-
Debt service	1,163,186	-	1,163,186	-
Parks and recreation	1,809	-	1,809	-
Debt service	-	94,716	94,716	-
Plant investment	-	750,857	750,857	-
Capital improvements	-	7,141,946	7,141,946	-
Water rights acquisition	-	956,989	956,989	-
Unrestricted	4,825,143	2,117,262	6,942,405	1,886,158
Total net position	$ 19,353,697	$ 32,599,347	$ 51,953,044	$ 1,886,158

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

Town of Milliken, Colorado
Statement of Activities
Year Ended December 31, 2017

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Town board	$ 125,853	$ 62,410	$ 32,423	$ -
Municipal court	101,532	90,236	-	-
Administration	1,326,105	585,502	215,740	-
Public safety	1,051,787	-	130,154	26,821
Community development	488,383	-	-	-
Public works	603,827	-	-	-
Facilities maintenance	278,797	-	-	91,914
Parks and open space	444,875	-	-	125,000
Senior citizen program	17,437	-	-	-
Community festivals	34,620	-	-	-
TRPR facilities	203,075	-	-	-
Contribution to Milliken Housing Authority	20,000	-	-	-
Interest on long-term debt	110,463	-	-	-
Total governmental activities	4,806,754	738,148	378,317	243,735
Business-type activities:				
Water	2,008,503	1,707,193	-	2,779,240
Sewer	896,462	1,077,725	-	1,046,564
Trash	359,787	386,707	-	-
Stormwater	-	144,303	-	-
Total business-type activities	3,264,752	3,315,928	-	3,825,804
Total primary government	$ 8,071,506	$ 4,054,076	$ 378,317	$ 4,069,539
Component unit:				
Milliken Housing Authority	$ -	$ -	$ -	$ -

General revenues:

Taxes:

Property taxes

Specific ownership taxes

Sales and use taxes

Other taxes and fees

Earnings on investments

Other revenues

Subtotal general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
$ (31,020)	$ -	$ (31,020)	$ -
(11,296)	-	(11,296)	-
(524,863)	-	(524,863)	-
(894,812)	-	(894,812)	-
(488,383)	-	(488,383)	-
(603,827)	-	(603,827)	-
(186,883)	-	(186,883)	-
(319,875)	-	(319,875)	-
(17,437)	-	(17,437)	-
(34,620)	-	(34,620)	-
(203,075)	-	(203,075)	-
(20,000)	-	(20,000)	-
(110,463)	-	(110,463)	-
(3,446,554)	-	(3,446,554)	-
-	2,477,930	2,477,930	-
-	1,227,827	1,227,827	-
-	26,920	26,920	-
-	144,303	144,303	
-	3,876,980	3,876,980	-
(3,446,554)	3,876,980	430,426	-
1,895,117	-	1,895,117	-
150,081	-	150,081	-
1,786,824	-	1,786,824	-
974,363	-	974,363	-
24,201	31,914	56,115	11,124
49,586	112,780	162,366	20,000
4,880,172	144,694	5,024,866	31,124
181,647	(181,647)	-	-
5,061,819	(36,953)	5,024,866	31,124
1,615,265	3,840,027	5,455,292	31,124
17,738,432	28,759,320	46,497,752	1,855,034
$ 19,353,697	$ 32,599,347	$ 51,953,044	$ 1,886,158

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

Town of Milliken, Colorado

Balance Sheet

Governmental Funds

December 31, 2017

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	$ 3,436,232	$ 979,411	$ 576,764	$ 669,089	$ 5,661,496
Restricted pooled cash and cash equivalents	-	157,980	-	-	157,980
Receivables, net	2,172,004	203,927	281,220	130,506	2,787,657
Prepaid	37,628	-	-	-	37,628
Due from other funds	88,680	-	-	143,619	232,299
Total assets	$ 5,734,544	$ 1,341,318	$ 857,984	$ 943,214	$ 8,877,060
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	$ 86,795	$ -	$ -	$ 6,558	$ 93,353
Payroll liabilities payable	112,021	-	-	-	112,021
Unearned revenue	-	-	-	10,000	10,000
Deposits	286,477	-	-	-	286,477
Due to other funds	-	-	-	232,299	232,299
Total liabilities	485,293	-	-	248,857	734,150
Deferred inflows of resources					
Deferred revenue - property taxes	1,946,901	178,132	-	-	2,125,033
Total deferred inflows of resources	1,946,901	178,132	-	-	2,125,033
Fund balances					
Nonspendable	37,628	-	-	-	37,628
Restricted	179,758	1,163,186	-	1,809	1,344,753
Committed	-		857,984		857,984
Assigned	102,000	-	-	692,548	794,548
Unassigned	2,982,964	-	-	-	2,982,964
Total fund balances	3,302,350	1,163,186	857,984	694,357	6,017,877
Total liabilities, deferred inflows of resources and fund balances	$ 5,734,544	$ 1,341,318	$ 857,984	$ 943,214	$ 8,877,060

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

Town of Milliken, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position
December 31, 2017

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

Fund balances of governmental funds		$ 6,017,877
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental fund financial statements.		
Capital assets	$ 22,818,517	
Less: accumulated depreciation	(7,624,716)	15,193,801
Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year-end consisted of:		
Bonds and capital lease obligations payable	$ (2,010,000)	
Accrued compensated absences	(112,799)	
Accrued interest payable	(7,788)	(2,130,587)
Net pension asset		60,411
Net pension liability		(33,700)
Deferred outflows of resources related to pensions		252,755
Deferred inflows of resources related to pensions		(6,860)
Total net position of governmental activities		$ 19,353,697

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

Town of Milliken, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2017

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes and fees	$ 3,592,908	$ 508,823	$ 647,612	$ 57,042	$ 4,806,385
Licenses and permits	585,502	-	-	-	585,502
Charges for services	62,410	-	-	-	62,410
Fines and forfeitures	90,236	-	-	-	90,236
Intergovernmental	125,466	-	-	247,249	372,715
Earnings on investments	19,330	3,322	1,249	300	24,201
Miscellaneous	49,586	-	-	-	49,586
Grants and contributions	20,510	-	-	11,913	32,423
Total revenues	4,545,948	512,145	648,861	316,504	6,023,458
Expenditures					
Current:					
Town board	125,853	-	-	-	125,853
Municipal court	101,532	-	-	-	101,532
Administration	956,338	-	-	13,615	969,953
Public safety	1,018,603	-	-	-	1,018,603
Community development	488,383	-	-	-	488,383
Public works	510,623	-	-	50,378	561,001
Facilities maintenance	271,271	-	7,526	-	278,797
Parks and open space	290,923	-	-	-	290,923
Senior citizen program	17,437	-	-	-	17,437
Community festivals	34,620	-	-	-	34,620
TRPR facilities	203,075	-	-	-	203,075
Contribution to Milliken Housing Authority	20,000	-	-	-	20,000
Debt service:					
Principal	-	190,000	-	-	190,000
Interest	-	102,675	-	-	102,675
Capital outlay	-	-	581,183	386,727	967,910
Total expenditures	4,038,658	292,675	588,709	450,720	5,370,762
Excess (deficiency) of revenues over expenditures	507,290	219,470	60,152	(134,216)	652,696
Other financing sources (uses)					
Transfers in	336,358	-	100,000	131,702	568,060
Transfers out	(201,702)	-	-	(184,711)	(386,413)
Total other financing sources (uses)	134,656	-	100,000	(53,009)	181,647
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	641,946	219,470	160,152	(187,225)	834,343
Fund balances at beginning of year	2,660,404	943,716	697,832	881,582	5,183,534
Fund balances at end of year	$ 3,302,350	$ 1,163,186	$ 857,984	$ 694,357	$ 6,017,877

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

Town of Milliken, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities
Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - governmental funds		$ 834,343
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense in the current period:		
Capital outlay	$ 967,910	
Donated assets	216,914	
Depreciation expense	(646,200)	538,624
Repayment of long-term debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.		190,000
Increase in accrued interest payable is reflected as an expense on the statement of activities and not reflected in the statement of revenues, expenditures and changes in fund balances.		(7,788)
The General Fund reports Town police pension contributions as expenditures; however, in the statement of activities, the cost of pension benefits earned is reported as pension expense.		50,047
Decrease in accrued compensated absences is reflected as an expense on the statement of activities and not reflected in the statement of revenues, expenditures and changes in fund balances.		10,039
Change in net position of governmental activities		$ 1,615,265

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

Town of Milliken, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2017

	Water	Sewer	Trash	Stormwater	Total
Assets					
Current assets					
Equity in pooled cash and cash equivalents	$ 5,571,587	$ 3,509,274	$ 30,543	$ 197,481	$ 9,308,885
Receivables, net	1,259,332	476,089	40,953	15,218	1,791,592
Prepaid items	17,365	-	-	-	17,365
Total current assets	6,848,284	3,985,363	71,496	212,699	11,117,842
Noncurrent assets					
Restricted pooled cash and cash equivalents	73,668	-	-	-	73,668
Capital assets, not being depreciated	11,713,338	59,791	-	-	11,773,129
Capital assets, being depreciated, net	6,210,330	6,651,887	-	-	12,862,217
Total noncurrent assets	17,997,336	6,711,678	-	-	24,709,014
Total assets	24,845,620	10,697,041	71,496	212,699	35,826,856
Liabilities					
Current liabilities					
Accounts payable	16,298	12,785	30,369	-	59,452
Accrued interest payable	2,620	33,146	-	-	35,766
Current portion of notes payable	21,202	316,999	-	-	338,201
Total current liabilities	40,120	362,930	30,369	-	433,419
Noncurrent liabilities					
Deposits payable	19,000	15,522	-	-	34,522
Notes payable, net of current portion	649,885	2,109,683	-	-	2,759,568
Total noncurrent liabilities	668,885	2,125,205	-	-	2,794,090
Total liabilities	709,005	2,488,135	30,369	-	3,227,509
Net Position					
Net investment in capital assets	17,252,581	4,284,996	-	-	21,537,577
Restricted					
Debt service	94,716	-	-	-	94,716
Plant investment	750,857	-	-	-	750,857
Capital improvements	4,668,793	2,473,153	-	-	7,141,946
Water rights acquisition	956,989	-	-	-	956,989
Unrestricted	412,679	1,450,757	41,127	212,699	2,117,262
Total net position	$ 24,136,615	$ 8,208,906	$ 41,127	$ 212,699	$ 32,599,347

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

Town of Milliken, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2017

	Water	Sewer	Trash	Stormwater	Total
Operating revenues					
Charges for services	$ 1,707,193	$ 1,077,725	$ 386,707	$ 144,303	$ 3,315,928
Miscellaneous revenues	74,415	34,412	3,953	-	112,780
Total operating revenues	1,781,608	1,112,137	390,660	144,303	3,428,708
Operating expenses					
Operations and maintenance	1,710,163	486,537	359,787	-	2,556,487
Depreciation	265,821	321,653	-	-	587,474
Total operating expenses	1,975,984	808,190	359,787	-	3,143,961
Operating income (loss)	(194,376)	303,947	30,873	144,303	284,747
Nonoperating revenues (expenses)					
Earnings on investments	20,626	11,288	-	-	31,914
Federal and state grants	139,805	198,941	-	-	338,746
Interest expense	(32,519)	(88,272)	-	-	(120,791)
Total nonoperating revenues (expenses)	127,912	121,957	-	-	249,869
Income (loss) before contributions and transfers	**(66,464)**	**425,904**	**30,873**	**144,303**	**534,616**
Capital contributions	2,639,435	847,623	-	-	3,487,058
Transfers out	(65,000)	(101,647)	(15,000)	-	(181,647)
Change in net position	**2,507,971**	**1,171,880**	**15,873**	**144,303**	**3,840,027**
Net position at beginning of year	21,628,644	7,037,026	25,254	68,396	28,759,320
Net position at end of year	$ 24,136,615	$ 8,208,906	$ 41,127	$ 212,699	$ 32,599,347

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

Town of Milliken, Colorado
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017

	Water	Sewer	Trash	Stormwater	Total
Cash flows from operating activities					
Cash received from customers	$ 1,614,133	$ 907,105	$ 387,177	$ 143,249	$ 3,051,664
Cash payments to suppliers	(2,425,934)	(310,077)	(356,775)	-	(3,092,786)
Cash payments to employees	(91,718)	(174,500)	-	-	(266,218)
Net cash flows from operating activities	(903,519)	422,528	30,402	143,249	(307,340)
Cash flows from non-capital financing activities					
Transfers out	(65,000)	(101,647)	(15,000)	-	(181,647)
Net cash flows from non-capital financing activities	(65,000)	(101,647)	(15,000)	-	(181,647)
Cash flows from capital and related financing activities					
Capital contributions	2,639,435	847,623	-	-	3,487,058
Grant revenues	139,805	198,941	-	-	338,746
Acquisition of plant and equipment	(444,663)	(216,651)	-	-	(661,314)
Principal paid on long-term debt	(20,229)	(311,534)	-	-	(331,763)
Interest paid on long-term debt	(32,598)	(92,527)	-	-	(125,125)
Net cash flows from capital and related financing activities	2,281,750	425,852	-	-	2,707,602
Cash flows from investing activities					
Interest received	20,626	11,288	-	-	31,914
Net change in cash and cash equivalents	1,333,857	758,021	15,402	143,249	2,250,529
Cash and cash equivalents at beginning of year	4,311,398	2,751,253	15,141	54,232	7,132,024
Cash and cash equivalents at end of year	$ 5,645,255	$ 3,509,274	$ 30,543	$ 197,481	$ 9,382,553

Reconciliation of operating income (loss) to net cash flows from operating activities:

	Water	Sewer	Trash	Stormwater	Total
Operating income (loss)	$ (194,376)	$ 303,947	$ 30,873	$ 144,303	$ 284,747
Adjustments to reconcile operating income (loss) to cash flows from operating activities					
Depreciation	265,821	321,653	-	-	587,474
(Increase) decrease in:					
Receivables	(169,475)	(205,032)	(3,483)	(1,054)	(379,044)
Prepaid items	19,138	-	-	-	19,138
Increase (decrease) in:					
Accounts payable	(826,627)	1,960	3,012	-	(821,655)
Deposits payable	2,000	-	-	-	2,000
Net cash flows from operating activities	$ (903,519)	$ 422,528	$ 30,402	$ 143,249	$ (307,340)

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

1. Summary of Significant Accounting Policies

The financial statements of the Town of Milliken, Colorado (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Definition of the Reporting Entity

The Town was founded September 17, 1910. The Town is governed by a Mayor and a six-member Board of Trustees ("Board") elected by the residents. The Town provides the following services: public safety (police); streets; parks and open space; planning and zoning; water, sewer and refuse; and general administrative services.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

The accompanying financial statements present the Town and its discretely presented component unit, an entity for which the Town is financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Town.

The Milliken Housing Authority (the "Authority") has been included as a discretely presented component unit in the accompanying financial statements. The Authority does not have the power to levy taxes, determine its own aggregate budget without the approval of the Town, or issue bonded debt. Separate financial statements are not issued. Financial information regarding the Authority can be obtained from the Town's administrative offices at 1101 Broad Street (PO Box 290), Milliken, Colorado 80543.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the Town and the component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those 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 specific function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. 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 for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payments are due.

Sales taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the Town.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds) and the capital projects fund. The following are the Town's major and nonmajor governmental funds:

<u>General Fund</u> - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions, except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise tax and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and open space and community development.

Debt Service Fund - The Debt Service Fund (a major fund) accounts for the accumulation of resources for the payment of principal and interest on long-term revenue and general obligation debts of the governmental funds not being financed by proprietary funds.

Impact Fees Fund - The Impact Fees Fund (a major fund) accounts for revenues from specific development fees which are used to fund projects throughout the Town.

The other governmental funds (nonmajor funds) are Special Revenue Funds (Conservation Trust, Streets, and Grants) and are established to account for revenues derived from recreation fees and specific taxes or other earmarked revenue sources, which finance specific activities as required by law or administrative action; and the Capital Projects Fund, which accounts for revenue sources and the corresponding expenditures for major capital projects.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town has four major enterprise funds, which are used to account for the activities of the Water, Sewer, Trash and Stormwater Funds.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Budgeting for enterprise funds is generally on a modified accrual basis. All annual appropriations lapse at year-end.

By October 15, the budget officer (not an elected official) of the Town submits a proposed operating budget for the fiscal year commencing the following January 1 to the Town Board (elected officials). The operating budget for all budgeted funds includes proposed expenditures and the means of financing.

Public hearings are held at the regular Board meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The Town Treasurer is authorized to transfer budgeted amounts within a department of any fund. The Board must approve revisions that change total expenditures of any fund or department within a fund. Appropriations are controlled, and the budget is only amended in conformity with Colorado Revised Statutes, which require a balanced budget. Expenditures which exceed appropriations may violate Colorado Revised Statutes and must be reported to the Office of the State Auditor.

Budget amounts included in the financial statements are as originally adopted or as amended by the Board. The following is a summary of the original budget, total revisions and revised budget for the Town's funds for the year ended December 31, 2017:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	$ 4,471,481	$ 238,000	$ 4,709,481
Capital projects fund	364,450	100,000	464,450
Special revenue funds:			
Impact fees fund	140,000	570,000	710,000
Conservation trust fund	30,000	-	30,000
Streets fund	433,800	-	433,800
Grants fund	570,000	-	570,000
Debt service fund	292,675	-	292,675
Business-type funds:			
Water fund	2,136,004	383,643	2,519,647
Sewer fund	1,287,316	-	1,287,316
Trash fund	336,713	40,000	376,713
Stormwater fund	100,000	-	100,000
Total funds	$10,162,439	$ 1,331,643	$11,494,082

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the financial statements. Investments of the Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due on the last day of February and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as a deferred inflow of resources.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and machinery, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the enterprise fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life exceeding one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Description	Useful Life
Collection and distribution system	30 - 50 Years
Buildings and other improvements	30 - 50 Years
Infrastructure	10 - 50 Years
Vehicles, machinery and equipment	5 - 30 Years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Accrued Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities and Long-Term Obligations

All accounts payable, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all accounts payable, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, accounts payable and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements if they will be liquidated with current resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

> ***Net investment in capital assets*** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
>
> ***Restricted net position*** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
>
> ***Unrestricted net position*** – This category represents the net position of the Town, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are classified in separate categories. The categories, and their general meanings, are as follows:

> ***Nonspendable*** – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
>
> ***Restricted*** – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
>
> ***Committed*** – amounts that can be used only for specific purposes determined by a formal action of the Town Board of Trustees. The Town Board of Trustees is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board of Trustees.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town Board of Trustees has authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the Town's policy to use restricted resources 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 Town has provided otherwise in its commitment or assignment actions.

As of December 31, 2017, fund balances are composed of the following:

	General	Debt Service Fund	Impact Fees Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable	$ 37,628	$ -	$ -	$ -	$ 37,628
Restricted:					
Emergency reserve	179,758	-	-	-	179,758
Debt service	-	1,163,186	-	-	1,163,186
Parks and recreation	-	-	-	1,809	1,809
Committed:					
Capital projects	-	-	857,984	-	857,984
Assigned:					
Capital projects	-	-	-	504,579	504,579
Street projects	-	-	-	187,969	187,969
Sewer line project	102,000	-	-	-	102,000
Unassigned	2,982,964	-	-	-	2,982,964
Total	$3,302,350	$ 1,163,186	$ 857,984	$ 694,357	$ 6,017,877

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The Town has certain items that relate to pension plans that qualify for reporting as deferred outflows of resources and deferred inflows of resources. See Note 10 for more information. Deferred inflows of resources also consist of property taxes receivable. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Pensions

The Town participates in the Non-Civil Employees' Pension Plan, a defined contribution plan. In addition, the Town participates in the Statewide Defined Benefit Plan ("SWDB"), a cost-sharing, multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). Certain members are also in the Statewide Hybrid Plan. The Statewide Hybrid Plan ("SWH") is a cost-sharing multiple-employer defined benefit pension plan. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan is administered by the Fire and 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/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Interfund Transactions

Interfund receivables and payables are reported within individual funds. Transactions that represent reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

Transfers include operating subsidies and authorized transfers from funds receiving revenues to funds that will expend those resources.

Interfund receivables and payables represent borrowing arrangements between governmental fund types that are current interfund loans and expected to be paid off within one year. Advances to and from other funds represent borrowing arrangements between nongovernmental fund types that are noncurrent. All other outstanding current balances between funds are reported as "Due to/from other funds."

2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between fund balances (total governmental funds) and net position of governmental activities, as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances and changes in net position of governmental activities, as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustments to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the government fund statements during the consolidation of governmental activities.

3. Cash and Cash Equivalents

The composition of the Town's cash and cash equivalents, including restricted cash, on December 31, 2017, is as follows:

Cash on hand	$ 750
Cash in financial institutions	11,364,027
Cash held by county treasurer	22,787
Local government investment pool	3,882,095
Total	$ 15,269,659

Cash and cash equivalents per Statement of Net Position:

Government-wide Statement of Net Position	
Equity in pooled cash and cash equivalents	$ 14,970,381
Cash and cash equivalents - component unit	67,630
Restricted pooled cash and cash equivalents	231,648
Total	$ 15,269,659

Custodial Credit Risk - Deposits

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The Town's deposit policy is in accordance with Colorado Revised Statutes ("CRS") 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit exceeding federal insurance limits must be collateralized by eligible collateral as determined by the PDPA. The financial institution may create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust, for the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commission for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. As of December 31, 2017, all the Town's deposits are either insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by the PDPA program, and are therefore, not deemed to be exposed to custodial credit risk.

Local Government Investment Pool

At December 31, 2017, the Town and the Discretely Presented Component Unit had invested $3,882,095 in the Colorado Secure Assets Fund ("CSAFE"), a local government investment pool established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund and each share is equal in value to $1.00. The designated custodial bank of the pooled investment provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investment. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial bank. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity all securities purchased by pooled investments may not exceed one year. CSAFE is rated AAAm by Standard and Poor's and the balance is measured at amortized cost. The investment policy of CSAFE does not include investing in derivatives. Separately issued financial statements may be obtained at www.csafe.org.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk of investments. As of December 31, 2017, the Town had no investments exposed to custodial credit risk.

Credit Risk - Investments

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado, or of any county, school, authority, and certain Towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Investment Interest Rate Risk

The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town held no investments as of December 31, 2017.

4. Receivables

Receivables at December 31, 2017, consist of the following:

	Governmental Activities	Business-Type Activities	Total	Discretely Presented Component Unit
Taxes	$ 2,254,008	$ -	$ 2,254,008	$ -
Utilities	637	272,849	273,486	-
Deferred fees	292,720	1,423,654	1,716,374	-
Intergovernmental	98,680	95,089	193,769	-
Other	141,612	-	141,612	292,293
Total	$ 2,787,657	$ 1,791,592	$ 4,579,249	$ 292,293

5. Notes Receivable

The Authority has five separate notes receivable from Dove Valley, LLLP, the Company that owns and operates the low-income housing facility for which the Authority was created. Four of the notes carry interest at 0.5% compounded annually, with balances of $400,000, $201,000, $746,192 and $140,000 at December 31, 2017. The other note carries an interest rate of 5.0% and a balance of $39,043 at December 31, 2017. All the notes mature in December 2046, when all the principal and accrued interest will be due. As of December 31, 2017, there was accrued interest of $114,365, included in "Receivables, net" in the accompanying Statement of Net Position.

6. Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary funds is shown within the transfer line for financial statement presentation.

The following summarizes interfund activity of the Town for the year ended December 31, 2017:

	Transfers Out					
	General Fund	Nonmajor Governmental Funds	Water Fund	Sewer Fund	Trash Fund	Total Transfers In
Transfers in:						
Governmental funds:						
General Fund	$ -	$ 154,711	$ 65,000	$ 101,647	$ 15,000	$ 336,358
Impact Fees Fund	100,000	-	-	-	-	100,000
Nonmajor Governmental funds	101,702	30,000	-	-	-	131,702
Total transfers out	$201,702	$ 184,711	$ 65,000	$ 101,647	$ 15,000	$ 568,060

The Town's interfund receivables and payables at December 31, 2017 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from the need to cover the temporary negative cash positions in individual funds.

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	$ 88,680
Capital Projects	Conservation Trust Fund	143,619
		$232,299

7. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2017, follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,320,731	$ -	$ -	$ 1,320,731
Construction in progress	265,953	222,631	(178,949)	309,635
Total capital assets, not being depreciated	1,586,684	222,631	(178,949)	1,630,366
Capital assets, being depreciated:				
Buildings and other improvements	4,983,342	-	-	4,983,342
Infrastructure	13,397,624	956,010	178,949	14,532,583
Vehicles, machinery and equipment	1,666,043	6,183	-	1,672,226
Total capital assets, being depreciated	20,047,009	962,193	178,949	21,188,151
Less accumulated depreciation:				
Buildings and other improvements	(1,024,203)	(111,987)	-	(1,136,190)
Infrastructure	(4,615,377)	(440,312)	-	(5,055,689)
Vehicles, machinery and equipment	(1,338,936)	(93,901)	-	(1,432,837)
Total accumulated depreciation:	(6,978,516)	(646,200)	-	(7,624,716)
Capital assets, being depreciated, net	13,068,493	315,993	178,949	13,563,435
Total governmental activities capital assets, net	$14,655,177	$ 538,624	$ -	$15,193,801

	Beginning Balance	Additions	Deletions / Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 59,791	$ -	$ -	$ 59,791
Easements	47,220	-	-	47,220
Water rights	11,273,765	-	-	11,273,765
Construction in progress	3,962,195	609,003	(4,178,845)	392,353
Total capital assets, not being depreciated	15,342,971	609,003	(4,178,845)	11,773,129
Capital assets, being depreciated:				
Collection and distribution system	17,236,332	-	4,178,845	21,415,177
Buildings and other improvements	400,979	-	-	400,979
Vehicles, machinery and equipment	608,334	52,311	-	660,645
Total capital assets, being depreciated:	18,245,645	52,311	4,178,845	22,476,801
Less accumulated depreciation:				
Collection and distribution system	(8,355,169)	(570,817)	-	(8,925,986)
Buildings and other improvements	(96,082)	(8,020)	-	(104,102)
Vehicles, machinery and equipment	(575,859)	(8,637)	-	(584,496)
Total accumulated depreciation:	(9,027,110)	(587,474)	-	(9,614,584)
Capital assets, being depreciated, net	9,218,535	(535,163)	4,178,845	12,862,217
Total business-type activities capital assets, net	$24,561,506	$ 73,840	$ -	$24,635,346

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

Governmental activities:	
Administration	$ 366,191
Public safety	83,231
Public works	42,826
Parks and open space	153,952
Total	$ 646,200
Business-type activities:	
Water fund	$ 265,821
Sewer fund	321,653
Total	$ 587,474

8. Long-Term Liabilities

Governmental Activities

Bonds Payable

During 2004, the Town issued Sales and Use Tax Revenue Bonds, Series 2004A in the amount of $1,350,000, to finance the construction and installation of traffic signals and related improvements to the intersection of Highway 60 and Highway 257. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1, through 2023. Interest accrues at rates ranging from 2% to 4.85%.

During 2007, the Town issued General Obligation Bonds, Series 2007, in the amount of $2,500,000, for the purpose of designing, acquiring, constructing and furnishing a new police department facility. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1, through 2027. Interest accrues at rates ranging from 4% to 6%.

Business-Type Activities

Notes Payable

During 2000, the Town obtained financing from the U.S. Department of Agriculture Rural Development ("USDA") to improve the water system. Semi-annual principal and interest payments of $26,414 are due through December 1, 2037. Interest accrues at 4.75%.

During 2003, the Town obtained financing from the Colorado Water Resources and Power Development Authority ("CWRPDA") to construct a wastewater treatment plant. Payments of principal and interest are due semi-annually on February 1 and August 1, through August 1, 2024. Interest accrues at 3.28%.

A summary of changes in long-term debt for the year ended December 31, 2017, follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Sales and use tax revenue bonds	$ 645,000	$ -	$ 80,000	$ 565,000	$ 85,000
General obligation bonds	1,555,000	-	110,000	1,445,000	120,000
Compensated absences	122,838	74,077	84,116	112,799	-
	$ 2,322,838	$ 74,077	$ 274,116	$ 2,122,799	$ 205,000
Business-type activities					
Notes payable:					
USDA	$ 691,316	$ -	$ 20,229	$ 671,087	$ 21,202
CWRPDA	2,738,216	-	311,534	2,426,682	316,999
	$ 3,429,532	$ -	$ 331,763	$ 3,097,769	$ 338,201

The annual requirements to amortize all outstanding debts are as follows:

Year	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2018	$ 205,000	$ 94,755	$ 338,201	$ 119,734
2019	215,000	86,130	344,686	109,415
2020	215,000	75,828	356,685	101,127
2021	230,000	65,525	363,269	95,210
2022	240,000	54,504	369,908	83,231
2023-2027	905,000	120,683	918,212	144,277
2028-2032	-	-	186,619	77,521
2033-2037	-	-	220,189	28,149
	$ 2,010,000	$ 497,425	$ 3,097,769	$ 758,664

9. Public Entity Risk Pools

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to state statute.

The purposes of CIRSA is to provide members defined liability, property, and workers compensation coverage 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 coverage 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 is it able to significantly affect the operations of CIRSA.

10. Defined Benefit Pension Plan - Police Officers

Plan Description

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

Certain members are also in the Statewide Hybrid Plan, a cost-sharing multiple-employer defined benefit pension plan. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan is also administered by the Fire and Police Pension Association of Colorado.

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

Benefits Provided

Statewide Defined Benefit Plan

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

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

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

Statewide Hybrid Plan

The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

Contributions

Statewide Defined Benefit Plan

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain 8 percent resulting in a combined contribution rate of 20 percent in 2022. Contributions to the SWDB plan from the Town were $41,162 for the year ended December 31, 2017.

Statewide Hybrid Plan

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2016 through June 30, 2017 was 13.5 percent. The Defined Benefit Component contribution rate from July 1, 2015 through June 30, 2016 was 12.6 percent. Contributions to the SWH plan from the Town were $7,122 for the year ended December 31, 2017.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

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

At December 31, 2017, the Town reported a net pension asset of $60,411 for the Statewide Hybrid Plan and a net pension liability of $33,700 for the Statewide Defined Benefit Plan for its proportionate shares of the net pension asset/liability. The net pension asset/liability was measured as of December 31, 2016, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of January 1, 2017. The actuarially determined contributions as of December 31, 2016 are based upon the January 1, 2016 actuarial valuation. The Town's proportion of the net pension asset/liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities.

At December 31, 2016, the Town's proportion was 0.093 percent, which was a decrease of 0.011 percent from its proportion measured as of December 31, 2015 for the Statewide Defined Benefit Plan. At December 31, 2016, the Town's proportion was 0.555 percent, which was an increase of 0.036 percent from its proportion measured as of December 31, 2015 for the Statewide Hybrid Plan.

For the year ended December 31, 2017, the Town recognized pension expense of $50,047. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Statewide Defined Benefit Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 30,090	$ 1,714
Changes of assumptions or other inputs	90,964	-
Net difference between projected and actual earnings on pension plan investments	23,020	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	13,220	-
Contributions subsequent to the measurement date	41,162	-
	$ 198,456	$ 1,714

Statewide Hybrid Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 31,096	$ -
Changes of assumptions or other inputs	2,680	-
Net difference between projected and actual earnings on pension plan investments	13,401	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	5,146
Contributions subsequent to the measurement date	7,122	-
	$ 54,299	$ 5,146

The $41,162 and $7,122 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as reductions of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Statewide Defined Benefit Plan Year Ending December 31	Amount
2018	$ 27,713
2019	27,713
2020	25,489
2021	3,722
2022	15,404
Thereafter	55,539
	$ 155,580

Statewide Hybrid Plan Year Ending December 31	Amount
2018	$ 8,366
2019	8,366
2020	8,366
2021	5,512
2022	4,302
Thereafter	7,119
	$ 42,031

Actuarial Assumptions

Statewide Defined Benefit Plan and Statewide Hybrid Plan

The actuarial valuations for the Statewide Defined Benefit Plan and Statewide Hybrid Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.50%
Projected Salary Increase*	4.0 - 14.0%
Cost-of-Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue color adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for health annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to makes and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

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

** While the expected inflation exceeds the expected rate of return for cash, a 0.00 percent rate of return is utilized.

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

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

The following presents the Town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.50 percent) than the current rate:

Statewide Defined Benefit Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability/(asset)	$ 286,734	$ 33,700	$ (176,457)

Statewide Hybrid Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability/(asset)	$ (33,852)	$ (60,411)	$ (79,024)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado annual financial report which can be obtained at www.cofppa.org.

11. Defined Contribution Plans

Non-Civil Employees' Pension Plan

All non-civil employees who work a minimum of 20 hours each week are eligible to participate in a defined contribution pension plan upon completion of their probationary period. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The contribution requirements of plan participants and the Town are established, and may be amended, by the Board. The Town is required to contribute 3% of each participant's base salary to the plan, and employees must contribute 2% of their salary. Employees become vested in employer contributions to the employees' pension plan at 20% per year of service. During the year ended December 31, 2017, the Town and employee contributions were $28,896 and $19,264, respectively, equal to the required contributions. For the years ended December 31, 2016 and December 31, 2015, the Town and employee contributions were $31,409 and $20,940 and $64,812 and $43,208, respectively.

12. Commitments and Contingencies

Tabor Amendment

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources, such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in an amount exceeding the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

On November 6, 2001, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town commencing on January 1, 2001, and subsequent years, notwithstanding the provisions of the Amendment.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). At December 31, 2017, the Town has restricted $179,758 in the General Fund for emergencies as defined under Article X, Section 20 of the Colorado Constitution.

The Town believes it is compliant with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

Litigation

The Town is periodically subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its activities. The Town believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial position or activities of the Town.

13. Subsequent Events

Management of the Town has evaluated subsequent events through September 19, 2018, the date that the financial statements were available to be issued.

On April 2, 2018, the Town issued $1,480,000 in General Obligation Refunding Bonds to refund the Town's outstanding general obligations.

On April 3, 2018, the Town of Milliken held an election determine if the sales and use tax of 0.50% currently imposed and scheduled to terminate upon payment of the Town's outstanding sales and use tax revenue bonds can be extended in perpetuity to acquire, construct, repair and improve Town capital assets. The election was successful, and the Town paid off the sales and use tax revenue bonds in April 2018.

On May 17, 2018, the Town issued $5,285,000 in Water Revenue Refunding and Improvement Bonds to: (i) refund the Town's outstanding Subordinate Water Revenue Bond, Series 2000, (ii) acquire water rights, (iii) fund the Reserve Account and (iv) pay the costs of issuance of the Bonds.

Required Supplementary Information

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes and fees	$ 3,289,721	$ 3,289,721	$ 3,592,908	$ 303,187
Licenses and permits	377,320	377,320	585,502	208,182
Charges for services	44,900	44,900	62,410	17,510
Fines and forfeitures	50,000	50,000	90,236	40,236
Intergovernmental	25,500	25,500	125,466	99,966
Earnings on investments	4,300	4,300	19,330	15,030
Miscellaneous	7,400	7,400	49,586	42,186
Grants and contributions	13,000	13,000	20,510	7,510
Total revenues	3,812,141	3,812,141	4,545,948	733,807
Expenditures				
Current:				
Town board	105,409	105,409	125,853	(20,444)
Municipal court	134,979	134,979	101,532	33,447
Administration	931,004	969,004	956,338	12,666
Public safety	1,048,438	1,048,438	1,018,603	29,835
Community development	599,883	599,883	488,383	111,500
Public works	432,210	432,210	510,623	(78,413)
Facilities maintenance	334,913	334,913	271,271	63,642
Parks and open space	438,323	438,323	290,923	147,400
Senior citizen program	34,000	34,000	17,437	16,563
Community festivals	33,150	33,150	34,620	(1,470)
TRPR facilities	202,922	202,922	203,075	(153)
Contribution to Milliken Housing Authority	-	20,000	20,000	-
Total expenditures	4,295,231	4,353,231	4,038,658	314,573
Deficiency of revenues over expenditures	(483,090)	(541,090)	507,290	1,048,380
Other financing sources (uses)				
Transfers in	388,000	388,000	336,358	(51,642)
Transfers out	(176,250)	(356,250)	(201,702)	154,548
Total other financing sources (uses)	211,750	31,750	134,656	102,906
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	$ (271,340)	$ (509,340)	641,946	$ 1,151,286
Fund balance at beginning of year			2,660,404	
Fund balance at end of year			$ 3,302,350	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - Impact Fees Fund
Year Ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fees	$ 339,500	$ 339,500	$ 647,612	$ 308,112
Earnings on investments	-	-	1,249	1,249
Total revenues	339,500	339,500	648,861	309,361
Expenditures				
Facilities maintenance	-	-	7,526	(7,526)
Capital outlay	-	570,000	581,183	(11,183)
Total expenditures	-	570,000	588,709	(18,709)
Excess (deficiency) of revenues over expenditures	339,500	(230,500)	60,152	290,652
Other financing sources (uses)				
Transfers in	-	200,000	100,000	(100,000)
Transfers out	(140,000)	(140,000)	-	140,000
Total other financing sources (uses)	(140,000)	60,000	100,000	40,000
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	$ 199,500	$ (170,500)	160,152	$ 330,652
Fund balance at beginning of year			697,832	
Fund balance at end of year			$ 857,984	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado

Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)

Statewide Defined Benefit Plan

	2017*	2016*	2015*
Town's proportionate share of the net pension liability/(asset)	0.093%	0.104%	0.100%
Town's proportion of the net pension liability/(asset)	$ 33,700	$ (1,842)	$ (112,857)
Town's covered payroll	$ 506,488	$ 548,437	N/A
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	7%	0%	N/A
Plan fiduciary net position as a percentage of the total pension	98.2%	100.0%	107.0%

Statewide Hybrid Plan

	2017*	2016*	2015*
Town's proportionate share of the net pension liability/(asset)	0.555%	0.519%	0.500%
Town's proportion of the net pension liability/(asset)	$ 60,411	$ 54,668	$ 57,325
Town's covered payroll	$ 60,518	$ 56,958	N/A
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	100%	96%	N/A
Plan fiduciary net position as a percentage of the total pension	127.5%	129.0%	137.0%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

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

Town of Milliken, Colorado
Schedule of the Employer Contributions

Statewide Defined Benefit Plan

	2017	2016	2015
Statutorily required contributions	$ 41,162	$ 40,519	$ 43,875
Contributions in relation to the statutorily required contribution	$ 41,162	$ 40,519	$ 43,875
Covered payroll	$ 436,672	$ 506,488	$ 548,437
Contribution as a percentage of covered payroll	9%	8%	8%

Statewide Hybrid Plan

	2017	2016	2015
Statutorily required contributions	$ 7,122	$ 7,177	$ 6,835
Contributions in relation to the statutorily required contribution	$ 7,122	$ 7,177	$ 6,835
Covered payroll	$ 59,354	$ 60,518	$ 56,958
Contribution as a percentage of covered payroll	12%	12%	12%

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

Other Supplementary Information

Town of Milliken, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	$ 363,889	$ 145,428	$ 159,772	$ -	$ 669,089
Receivables, net	-	-	31,826	98,680	130,506
Due from other funds	143,619	-	-	-	143,619
Total assets	$ 507,508	$ 145,428	$ 191,598	$ 98,680	$ 943,214
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 2,929	$ -	$ 3,629	$ -	$ 6,558
Unearned revenue	-	-	-	10,000	10,000
Due to other funds	-	143,619	-	88,680	232,299
Total liabilities	2,929	143,619	3,629	98,680	248,857
Fund balances					
Restricted	-	1,809	-	-	1,809
Assigned	504,579	-	187,969	-	692,548
Total fund balances	504,579	1,809	187,969	-	694,357
Total liabilities and fund balances	$ 507,508	$ 145,428	$ 191,598	$ 98,680	$ 943,214

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2017

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Revenues					
Taxes	$ -	$ -	$ 57,042	$ -	$ 57,042
Intergovernmental	-	31,509	215,740	-	247,249
Earnings on investments	-	300	-	-	300
Grants and contributions	-	-	-	11,913	11,913
Total revenues	-	31,809	272,782	11,913	316,504
Expenditures					
Administration	-	-	-	13,615	13,615
Public works	369	-	50,009	-	50,378
Capital outlay	386,727	-	-	-	386,727
Total expenditures	387,096	-	50,009	13,615	450,720
Excess (deficiency) of revenues over expenditures	(387,096)	31,809	222,773	(1,702)	(134,216)
Other financing sources (uses)					
Transfers in	130,000	-	-	1,702	131,702
Transfers out	-	(30,000)	(154,711)	-	(184,711)
Total other financing sources (uses)	130,000	(30,000)	(154,711)	1,702	(53,009)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	(257,096)	1,809	68,062	-	(187,225)
Fund balances at beginning of year	761,675	-	119,907	-	881,582
Fund balances at end of year	$ 504,579	$ 1,809	$ 187,969	$ -	$ 694,357

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - Debt Service Fund
Year Ended December 31, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 404,604	$ 508,823	$ 104,219
Earnings on investments	-	3,322	3,322
Total revenues	404,604	512,145	107,541
Expenditures			
Debt service:			
Principal	190,000	190,000	-
Interest	102,675	102,675	-
Total expenditures	292,675	292,675	-
Excess of revenues over expenditures	$ 111,929	219,470	$ 107,541
Fund balance at beginning of year		943,716	
Fund balance at end of year		$ 1,163,186	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - Capital Projects Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Expenditures				
Public works	$ -	$ -	$ 369	$ (369)
Capital outlay	364,450	464,450	386,727	77,723
Total expenditures	364,450	464,450	387,096	77,354
Deficiency of revenues over expenditures	(364,450)	(464,450)	(387,096)	77,354
Other financing sources				
Transfers in	180,000	180,000	130,000	(50,000)
Total other financing sources	180,000	180,000	130,000	(50,000)
Deficiency of revenues over expenditures and other financing sources (uses)	(184,450)	(284,450)	(257,096)	27,354
Fund balance at beginning of year			761,675	
Fund balance at end of year			$ 504,579	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - Conservation Trust Fund

Year Ended December 31, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 30,000	$ 31,509	$ 1,509
Earnings on investments	-	300	300
Total revenues	30,000	31,809	1,809
Other financing (uses)			
Transfers out	(30,000)	(30,000)	-
Total other financing (uses)	(30,000)	(30,000)	-
Excess of revenues over other financing (uses)	$ -	1,809	$ 1,809
Fund balance at beginning of year		-	
Fund balance at end of year		$ 1,809	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - Streets Fund
Year Ended December 31, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ -	$ 57,042	$ 57,042
Intergovernmental	262,195	215,740	(46,455)
Total revenues	262,195	272,782	10,587
Expenditures			
Public works	293,800	50,009	243,791
Total expenditures	293,800	50,009	243,791
Excess (deficiency) of revenues over expenditures	(31,605)	222,773	254,378
Other financing sources (uses)			
Transfers in	90,000	-	(90,000)
Transfers out	(140,000)	(154,711)	(14,711)
Total other financing sources (uses)	(50,000)	(154,711)	(104,711)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	$ (81,605)	68,062	$ 149,667
Fund balance at beginning of year		119,907	
Fund balance at end of year		$ 187,969	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - Grants Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Grants and contributions	$ 498,750	$ 698,750	$ 11,913	$ (686,837)
Total revenues	498,750	698,750	11,913	(686,837)
Expenditures				
Administration	-	-	13,615	(13,615)
Capital outlay	570,000	570,000	-	570,000
Total expenditures	570,000	570,000	13,615	556,385
Excess (deficiency) of revenues over expenditures	(71,250)	128,750	(1,702)	(130,452)
Other financing sources				
Transfers in	56,250	56,250	1,702	(54,548)
Total other financing sources	56,250	56,250	1,702	(54,548)
Excess (deficiency) of revenues and other financing sources over expenditures	$ (15,000)	$ 185,000	-	$ (185,000)
Fund balance at beginning of year			-	
Fund balance at end of year			$ -	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual - Water Fund
Year Ended December 31, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues				
Charges for services	$ 1,758,000	$ 1,758,000	$ 1,707,193	$ (50,807)
Federal and state grants	-	-	139,805	139,805
Miscellaneous revenues	23,000	23,000	74,415	51,415
Total operating revenues	1,781,000	1,781,000	1,921,413	140,413
Operating expenses				
Operations and maintenance	1,473,406	1,638,960	1,710,163	(71,203)
Depreciation	265,000	265,000	265,821	(821)
Total operating expenses	1,738,406	1,903,960	1,975,984	(72,024)
Operating income	42,594	(122,960)	(54,571)	68,389
Other revenues (expenses)				
Capital contributions	994,040	994,040	2,639,435	1,645,395
Earnings on investments	7,000	7,000	20,626	13,626
Capital outlay	(250,000)	(468,089)	(444,663)	23,426
Interest expense	(32,598)	(32,598)	(32,519)	79
Total other revenues (expenses)	718,442	500,353	2,182,879	1,682,526
Excess (deficiency) of revenues over expenses	761,036	377,393	2,128,308	1,750,915
Transfers				
Transfers out	(115,000)	(115,000)	(65,000)	50,000
Total transfers	(115,000)	(115,000)	(65,000)	50,000
Change in net position - budgetary basis	$ 646,036	$ 262,393	2,063,308	$ 1,800,915
Net position at beginning of year - budgetary basis			4,577,834	
Difference in accrued interest			(79)	
Depreciation			265,821	
Principal paid on long-term debt			(20,229)	
Net position at end of year - budgetary basis			6,886,655	
Capital assets at beginning of year			17,744,825	
Accrued interest on debt at beginning of year			(2,699)	
Long-term debt at beginning of year			(691,316)	
Current year depreciation			(265,821)	
Current year difference in accrued interest			79	
Current year principal paid on long-term debt			20,229	
Current year capital outlay			444,663	
Net position at end of year - GAAP basis			$ 24,136,615	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual - Sewer Fund
Year Ended December 31, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 1,020,000	$ 1,077,725	$ 57,725
Miscellaneous revenues	23,500	34,412	10,912
Total operating revenues	1,043,500	1,112,137	68,637
Operating expenses			
Operations and maintenance	524,788	486,537	38,251
Capital outlay - operational	25,000	-	25,000
Depreciation	325,000	321,653	3,347
Total operating expenses	874,788	808,190	66,598
Operating income	168,712	303,947	135,235
Other revenues (expenses)			
Capital contributions	470,390	847,623	377,233
Federal and state grants	-	198,941	198,941
Earnings on investments	6,500	11,288	4,788
Capital outlay - infrastructure	(200,000)	(216,651)	(16,651)
Interest expense	(92,528)	(88,272)	4,256
Total other revenues (expenses)	184,362	752,929	568,567
Excess (deficiency) of revenues over expenses	353,074	1,056,876	703,802
Transfers			
Transfers out	(120,000)	(101,647)	18,353
Total transfers	(120,000)	(101,647)	18,353
Change in net position - budgetary basis	$ 233,074	955,229	$ 722,155
Net position at beginning of year - budgetary basis		2,995,963	
Difference in accrued interest		(4,256)	
Depreciation		321,653	
Principal paid on long-term debt		(311,534)	
Net position at end of year - budgetary basis		3,957,055	
Capital assets at beginning of year		6,816,681	
Accrued interest on debt at beginning of year		(37,402)	
Long-term debt at beginning of year		(2,738,216)	
Current year difference in accrued interest		4,256	
Current year depreciation		(321,653)	
Current year principal paid on long-term debt		311,534	
Current year capital outlay		216,651	
Net position at end of year - GAAP basis		$ 8,208,906	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual - Trash Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 344,213	$ 384,213	$ 386,707	$ 2,494
Miscellaneous revenue	-	-	3,953	3,953
Total operating revenues	344,213	384,213	390,660	6,447
Operating expenses				
Operations and maintenance	313,713	353,713	359,787	(6,074)
Total operating expenses	313,713	353,713	359,787	(6,074)
Operating income	30,500	30,500	30,873	373
Transfers				
Transfers out	(23,000)	(23,000)	(15,000)	8,000
Total transfers	(23,000)	(23,000)	(15,000)	8,000
Change in net position	$ 7,500	$ 7,500	15,873	$ 8,373
Net position at beginning of year			25,254	
Net position at end of year			$ 41,127	

See accompanying Independent Auditor's Report.

Town of Milliken, Colorado
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual - Stormwater Fund
Year Ended December 31, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 135,000	$ 144,303	$ 9,303
Total operating revenues	135,000	144,303	9,303
Operating expenses			
Operations and maintenance	100,000	-	100,000
Total operating expenses	100,000	-	100,000
Operating income	35,000	144,303	109,303
Change in net position	$ 35,000	144,303	$ 109,303
Net position at beginning of year		68,396	
Net position at end of year		$ 212,699	

See accompanying Independent Auditor's Report.

State Compliance Section

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Milliken YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of Town of Milliken	Prepared By: Phone:	Courtney Diller (970) 660-5048

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	162,780
4. Miscellaneous local receipts (from page 2)	
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	162,780
B. Private Contributions	
C. Receipts from State government (from page 2)	215,740
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	378,520

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	450,000
2. Maintenance:	153,492
3. Road and street services:	
a. Traffic control operations	3,823
b. Snow and ice removal	7,987
c. Other	
d. Total (a. through c.)	11,810
4. General administration & miscellaneous	38,678
5. Highway law enforcement and safety	
6. Total (1 through 5)	653,979
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	30,625
b. Redemption	80,000
c. Total (a. + b.)	110,625
3. Total (1.c + 2.c)	110,625
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	764,604

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)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
119,907	890,695	764,604	245,997	0

Notes and Comments:

(1) Fund Balance Reconciliation was added this year to reconcile to Town's Street Fund

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	153,407	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	110,625	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	368,142	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	42,782	g. Other Misc. Receipts	
6. Total (1. through 5.)	521,549	h. Other	
c. Total (a. + b.)	674,955	i. Total (a. through h.)	0
	(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	215,740	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		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	215,740	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			0
(3). System Preservation			0
(4). System Enhancement & Operation			450,000
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	450,000
			(Carry forward to page 1)

Notes and Comments:

(1) Property Taxes are from Oil & Gas 5.5% Exepmtion Fund& Impact Fund

(2) Sales Taxes are from Debt Service Fund to the extent they funded debt service for Street Fund

(3) Other Taxes are Road and Bridge Taxes

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE