Town of Milliken, Colorado

Financial Statements and Supplementary Information
For the Year Ended December 31, 2018

ACM

Town of Milliken, Colorado

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Town of Milliken, Colorado

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Independent Auditor's Report

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

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, Colorado (the "Town"), as of and for the year ended December 31, 2018, 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. 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 fund information of the Town of Milliken, Colorado, as of December 31, 2018, 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 45 through 48 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 were derived from and relate 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.

ACM LLP

Greeley, CO
July 30, 2019

Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2018

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, 2018. 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 2019. 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 $58,097,033 at the close of 2018. Of this amount, $8,483,473 (14.6%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's Net Position increased by $6,143,989 in 2018. This increase is significantly attributable to the increase in building activity in 2018 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, 2018, the combined fund balance for the Town's Governmental Funds was $6,588,747, an increase of $570,870 from 2017. Nearly 49%, $3,209,904 of this balance, is unassigned and available for spending at the Town's discretion.
- General Fund expenditures increased approximately 34% compared to 2017 while revenue increased approximately 19% compared to 2017; however, expenditures include $1,210,652 of one-time capital outlay. Ongoing expenditures (total expenditures less capital outlay) increased approximately 4%. The net effect to the fund balance of the Town's General Fund was an increase of $132,620.

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, 2018, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $58 million, compared to $52 million in 2017.

CONDENSED STATEMENT OF NET POSITION
December 31, 2018 and 2017

	2018			2017	
	Governmental Activities	Business-Type Activities	Total	Total	Percent Change
Assets					
Current and other assets	$ 9,837,350	$ 14,025,922	$23,863,272	$19,896,682	20.00%
Capital assets - net	16,229,607	30,502,587	46,732,194	39,829,147	17.00%
Total assets	26,066,957	44,528,509	70,595,466	59,725,829	18.00%
Deferred outflows of resources					
Deferred loss on bond refunding	22,738		22,738	-	N/A
Pension plan	221,111	-	221,111	252,755	-13.00%
Total deferred outflows of resources	243,849	-	243,849	252,755	-13.00%
Liabilities					
Current and other liabilities	764,161	711,056	1,475,217	639,379	131.00%
Long-term liabilities	1,556,841	7,397,772	8,954,613	5,254,268	70.00%
Total liabilities	2,321,002	8,108,828	10,429,830	5,893,647	77.00%
Deferred inflows of resources					
Pension plan	72,488	-	72,488	6,860	957.00%
Unearned revenue - property taxes	2,270,230	-	2,270,230	2,125,033	7.00%
Total deferred inflows of resources	2,342,718	-	2,342,718	2,131,893	10.00%
Net position					
Net investment in capital assets	14,807,652	23,104,815	37,912,467	34,721,378	9.00%
Restricted	1,326,342	10,591,093	11,917,435	10,289,261	16.00%
Unrestricted	5,513,092	2,723,773	8,236,865	6,942,405	19.00%
Total net position	$21,647,086	$ 36,419,681	$58,066,767	$51,953,044	12.00%

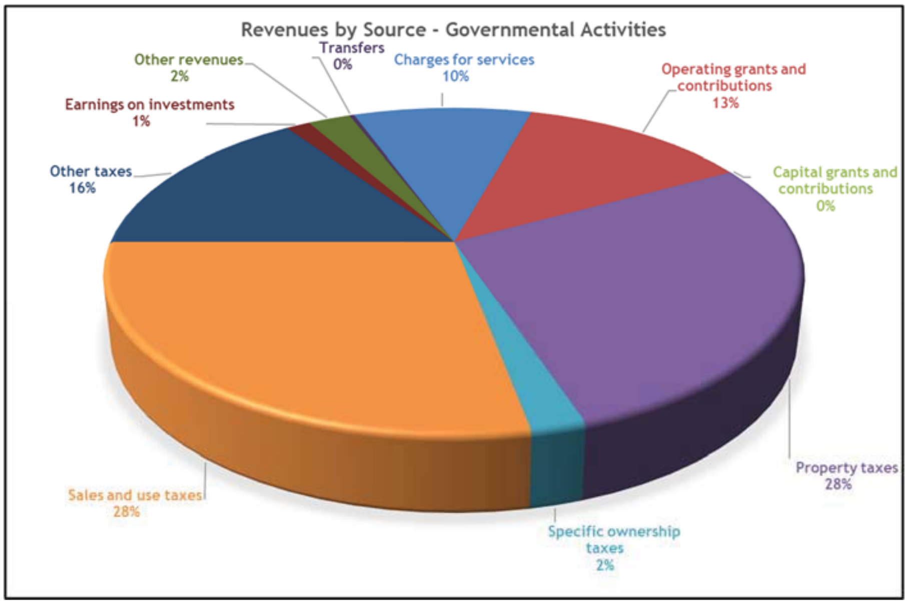
Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2018

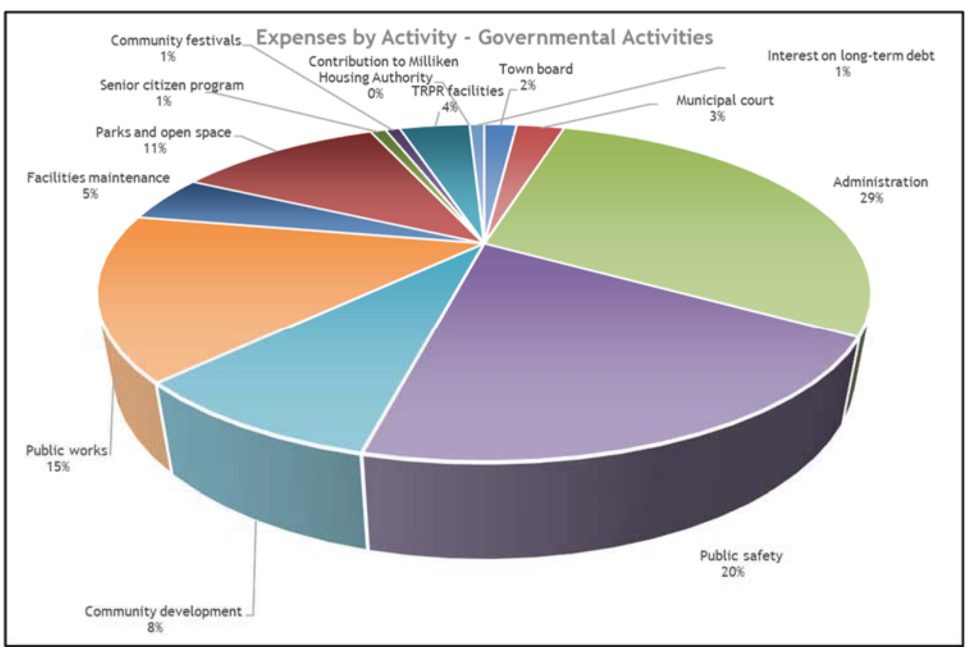
CONDENSED STATEMENT OF ACTIVITIES
Years Ended December 31, 2018 and 2017

	2018			2017	
	Governmental Activities	Business-Type Activities	Total	Total	Percent Change
Revenues					
Program revenues					
Charges for services	$ 738,906	$ 3,662,014	$ 4,400,920	$ 4,054,076	9.00%
Operating grants and contributions	956,532	-	956,532	378,317	153.00%
Capital grants and contributions	-	3,702,310	3,702,310	4,069,539	-9.00%
General revenues					
Property taxes	2,090,343	-	2,090,343	1,895,117	10.00%
Specific ownership taxes	162,765	-	162,765	150,081	8.00%
Sales and use taxes	2,099,928	-	2,099,928	1,786,824	18.00%
Other taxes and fees	1,163,468	-	1,163,468	974,363	19.00%
Earnings on investments	99,815	165,930	265,745	56,115	374.00%
Other revenues	175,905	93,021	268,926	162,366	66.00%
Transfers	20,000	(20,000)	-	-	N/A
Total revenues	7,507,662	7,603,275	15,110,937	13,526,798	12.00%
Expenses					
Town board	94,161	-	94,161	125,853	-25.00%
Municipal court	137,483	-	137,483	101,532	35.00%
Administration	1,512,578	-	1,512,578	1,326,105	14.00%
Public safety	1,044,433	-	1,044,433	1,051,787	-1.00%
Community development	439,301	-	439,301	488,383	-10.00%
Public works	807,786	-	807,786	603,827	34.00%
Facilities maintenance	239,549	-	239,549	278,797	-14.00%
Parks and open space	578,226	-	578,226	444,875	30.00%
Senior citizen program	44,077	-	44,077	17,437	153.00%
Community festivals	41,331	-	41,331	34,620	19.00%
TRPR facilities	202,507	-	202,507	203,075	0.00%
Contribution to Milliken Housing Authority	-	-	-	20,000	-100.00%
Interest on long-term debt	42,575	-	42,575	110,463	-61.00%
Water	-	2,176,422	2,176,422	2,008,503	8.00%
Sewer	-	1,165,464	1,165,464	896,462	30.00%
Trash	-	438,555	438,555	359,787	22.00%
Stormwater	-	2,500	2,500	-	N/A
Total expenses	5,184,007	3,782,941	8,966,948	8,071,506	11.00%
Change in net position	2,323,655	3,820,334	6,143,989	5,455,292	13.00%
Net position, beginning of year	19,353,697	32,599,347	51,953,044	46,497,752	12.00%
Net position, end of year	$21,677,352	$ 36,419,681	$58,097,033	$51,953,044	12.00%

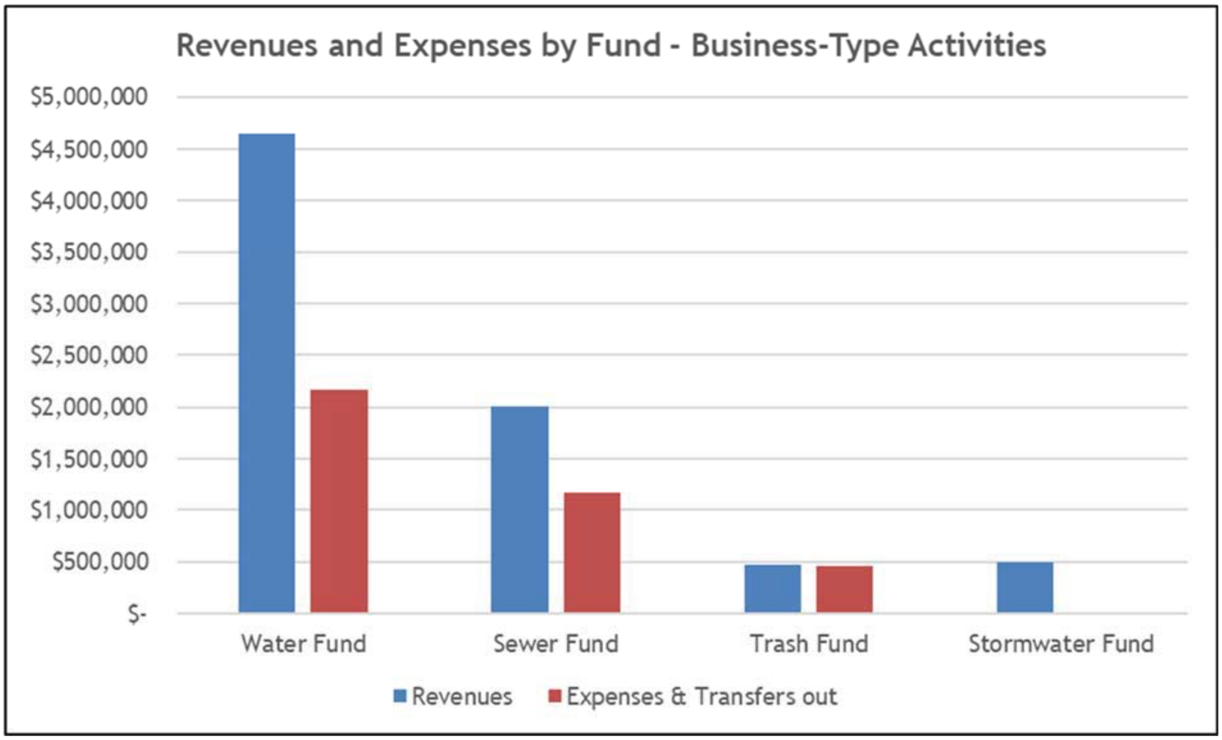
FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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 2018 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 (28%) 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 $3,820,334 in 2018. 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 $5,411,135, which was approximately $892,000 more than the Town's amended Budget. The primary sources of revenues were property taxes ($1,922,698), sales and use taxes ($1,677,363) and building permits ($568,203). 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 $132,620. The amount in the ending fund balance for 2018, $3,434,970, is well in excess of the minimum target reserve of approximately $1,083,215 (20% of annual expenditures).

Capital Assets

At the end of the year, the Town's capital assets held, less accumulated depreciation, amounted to $46,732,194. Assets consist of land, infrastructure, utility distribution systems, property and equipment. The Town continues to invest in capital assets and increased capital assets considerably in 2018, approximately $8.3 million. Primary capital projects of the Town in 2018 including significant street improvements, a reverse osmosis (RO) treatment plant, and water rights. Refer to Note 7 in the Notes to Financial Statements for more information.

Long-Term Debt

In 2018, the Town issued Water Revenue Refunding and Improvement Bonds in the amount of $5,285,000 for the purposes of refunding the Town's outstanding notes payable and investing in capital assets. The Town also issued $1,480,000 in general obligation refunding bonds to take advantage of lower interest rates. In 2018 the Town also paid off sales and use tax revenue bonds in the amount of $565,000.

At the end of 2018, long-term debt balances in governmental activities was $1,556,841, a decrease of $565,958 from 2017. Long-term debt balances in business-type activities increased $4,300,003 over 2017 ending the year with $7,397,772.

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
Assets				
Equity in pooled cash and cash equivalents	$ 6,204,915	$ 12,124,227	$ 18,329,142	$ -
Cash and cash equivalents	-	-	-	67,521
Receivables	3,253,272	1,788,929	5,042,201	303,596
Prepaid items	350	39,098	39,448	-
Restricted pooled cash and cash equivalents	161,190	73,668	234,858	-
Capital assets, not being depreciated	1,616,995	17,670,265	19,287,260	-
Capital assets, being depreciated, net	14,612,612	12,832,322	27,444,934	-
Notes receivable	-	-	-	1,526,235
Net pension asset	217,623	-	217,623	-
Deferred outflows of resources				
Deferred loss on bond refunding	22,738	-	22,738	-
Pension plan	221,111	-	221,111	-
Total assets and deferred outflows	26,310,806	44,528,509	70,839,315	1,897,352
Liabilities				
Accounts payable	165,793	625,146	790,939	-
Payroll liabilities payable	144,224	-	144,224	-
Accrued interest payable	3,411	43,388	46,799	-
Unearned revenue	10,000	-	10,000	-
Deposits payable	440,733	42,522	483,255	-
Noncurrent liabilities:				
Accrued compensated absences	134,886	-	134,886	-
Due within one year	144,777	517,289	662,066	-
Due in more than one year	1,277,178	6,880,483	8,157,661	-
Total liabilities	2,321,002	8,108,828	10,429,830	-
Deferred inflows of resources				
Pension plan	72,488	-	72,488	-
Unearned revenue - property taxes	2,270,230	-	2,270,230	-
Total deferred inflows of resources	2,342,718	-	2,342,718	-
Net position				
Net investment in capital assets	14,807,652	23,104,815	37,912,467	-
Restricted for:				
Emergencies	223,435	-	223,435	-
Net pension asset	217,623		217,623	-
Debt service	880,035	-	880,035	-
Parks and recreation	5,249	-	5,249	-
Plant investment	-	1,258,277	1,258,277	-
Capital improvements	-	9,033,924	9,033,924	-
Water rights acquisition	-	298,892	298,892	-
Unrestricted	5,513,092	2,723,773	8,236,865	1,897,352
Total net position	$ 21,647,086	$ 36,419,681	$ 58,066,767	$ 1,897,352

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

Town of Milliken, Colorado
Statement of Activities
Year Ended December 31, 2018

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Town board	$ 94,161	$ 66,857	$ 394,068	$ -
Municipal court	137,483	73,511	-	-
Administration	1,512,578	598,538	288,608	-
Public safety	1,074,699	-	273,856	-
Community development	439,301	-	-	-
Public works	807,786	-	-	-
Facilities maintenance	239,549	-	-	-
Parks and open space	578,226	-	-	-
Senior citizen program	44,077	-	-	-
Community festivals	41,331	-	-	-
TRPR facilities	202,507	-	-	-
Interest on long-term debt	42,575	-	-	-
Total governmental activities	5,214,273	738,906	956,532	-
Business-type activities:				
Water	2,176,422	1,898,012	-	2,591,272
Sewer	1,165,464	1,144,610	-	767,819
Trash	438,555	464,544	-	-
Stormwater	2,500	154,848	-	343,219
Total business-type activities	3,782,941	3,662,014	-	3,702,310
Total primary government	$ 8,997,214	$ 4,400,920	$ 956,532	$ 3,702,310
Component unit:				
Milliken Housing Authority	$ 109	$ -	$ -	$ -

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
$ 366,764	$ -	$ 366,764	$ -
(63,972)	-	(63,972)	-
(625,432)	-	(625,432)	
(800,843)	-	(800,843)	-
(439,301)	-	(439,301)	-
(807,786)	-	(807,786)	-
(239,549)	-	(239,549)	-
(578,226)	-	(578,226)	-
(44,077)	-	(44,077)	-
(41,331)	-	(41,331)	-
(202,507)	-	(202,507)	-
(42,575)	-	(42,575)	-
(3,518,835)	-	(3,518,835)	-
-	2,312,862	2,312,862	-
-	746,965	746,965	-
-	25,989	25,989	-
-	495,567	495,567	-
-	3,581,383	3,581,383	-
(3,518,835)	3,581,383	62,548	-
-	-	-	(109)
2,090,343	-	2,090,343	-
162,765	-	162,765	-
2,099,928	-	2,099,928	-
1,163,468	-	1,163,468	-
99,815	165,930	265,745	11,303
175,905	93,021	268,926	-
5,792,224	258,951	6,051,175	11,303
20,000	(20,000)	-	-
5,812,224	238,951	6,051,175	11,303
2,293,389	3,820,334	6,113,723	11,194
19,353,697	32,599,347	51,953,044	1,886,158
$ 21,647,086	$ 36,419,681	$ 58,066,767	$ 1,897,352

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

Town of Milliken, Colorado
Balance Sheet
Governmental Funds
December 31, 2018

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	$ 3,439,737	$ 718,844	$ 1,356,698	$ 689,636	$ 6,204,915
Restricted pooled cash and cash equivalents	-	161,190	-	-	161,190
Receivables	2,339,653	182,092	222,040	509,487	3,253,272
Prepaid items	350	-	-	-	350
Due from other funds	455,759	-	-	28,691	484,450
Total assets	$ 6,235,499	$ 1,062,126	$ 1,578,738	$ 1,227,814	$ 10,104,177
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	$ 127,433	$ -	$ -	$ 38,360	$ 165,793
Payroll liabilities payable	144,224	-	-	-	144,224
Unearned revenue	-	-	-	10,000	10,000
Deposits	440,733	-	-	-	440,733
Due to other funds	-	-	-	484,450	484,450
Total liabilities	712,390	-	-	532,810	1,245,200
Deferred inflows of resources					
Deferred revenue - property taxes	2,088,139	182,091	-	-	2,270,230
Total deferred inflows of resources	2,088,139	182,091	-	-	2,270,230
Fund balances					
Nonspendable	350	-	-	-	350
Restricted	223,435	880,035	-	5,249	1,108,719
Committed	-		1,578,738		1,578,738
Assigned	-	-	-	689,755	689,755
Unassigned	3,211,185	-	-	-	3,211,185
Total fund balances	3,434,970	880,035	1,578,738	695,004	6,588,747
Total liabilities, deferred inflows of resources and fund balances	$ 6,235,499	$ 1,062,126	$ 1,578,738	$ 1,227,814	$ 10,104,177

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, 2018

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

Fund balances of governmental funds		$ 6,588,747
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental fund financial statements. Capital assets at year-end consisted of:		
Capital assets	$ 24,546,232	
Less: accumulated depreciation	(8,316,625)	16,229,607
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	$ (1,421,955)	
Deferred loss on bond refunding	22,738	
Accrued compensated absences	(134,886)	
Accrued interest payable	(3,411)	(1,537,514)
The net pension asset and related deferred inflows and deferred outflows of resources are not current financial resources, and therefore are not reported in the fund financial statements.		
Net pension asset	$ 217,623	
Deferred outflows of resources related to pensions	221,111	
Deferred inflows of resources related to pensions	(72,488)	366,246
Total net position of governmental activities		$ 21,647,086

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, 2018

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes and fees	$ 4,121,035	$ 462,945	$ 741,420	$ 191,104	$ 5,516,504
Licenses and permits	598,538	-	-	-	598,538
Charges for services	66,857	-	-	-	66,857
Fines and forfeitures	73,511	-	-	-	73,511
Intergovernmental	240,032	-	-	322,432	562,464
Earnings on investments	72,794	11,402	15,503	116	99,815
Miscellaneous	169,905	-	-	-	169,905
Grants and contributions	25,770	-	-	368,298	394,068
Total revenues	5,368,442	474,347	756,923	881,950	7,481,662
Expenditures					
Current:					
Town board	94,161	-	-	-	94,161
Municipal court	137,483	-	-	-	137,483
Administration	899,572	57,070	-	124,474	1,081,116
Public safety	1,089,251	-	-	-	1,089,251
Community development	439,301	-	-	-	439,301
Public works	594,784	-	-	164,375	759,159
Facilities maintenance	239,549	-	-	-	239,549
Parks and open space	423,407	-	-	-	423,407
Senior citizen program	44,077	-	-	-	44,077
Community festivals	41,331	-	-	-	41,331
TRPR facilities	202,507	-	-	-	202,507
Debt service:					
Principal	12,555	715,000	-	-	727,555
Interest	-	46,952	-	-	46,952
Capital outlay	1,210,652	-	36,169	474,894	1,721,715
Total expenditures	5,428,630	819,022	36,169	763,743	7,047,564
Excess (deficiency) of revenues over expenditures	(60,188)	(344,675)	720,754	118,207	434,098
Other financing sources (uses)					
Transfers in	190,000	-	-	82,940	272,940
Transfers out	(52,440)	-	-	(200,500)	(252,940)
Payment to escrow agent	-	(1,467,738)	-	-	(1,467,738)
Proceeds from capital lease	55,248	-	-	-	55,248
Proceeds from bonds	-	1,480,000	-	-	1,480,000
Premium from bonds	-	49,262	-	-	49,262
Total other financing sources (uses)	192,808	61,524	-	(117,560)	136,772
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	132,620	(283,151)	720,754	647	570,870
Fund balances at beginning of year	3,302,350	1,163,186	857,984	694,357	6,017,877
Fund balances at end of year	$ 3,434,970	$ 880,035	$ 1,578,738	$ 695,004	$ 6,588,747

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, 2018

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

Net change in fund balances - governmental funds		$ 570,870
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	$ 1,721,715	
Gain on trade-in of capital asset	6,000	
Depreciation expense	(691,909)	1,035,806
Effects of issuing long-term debt:		
Bond proceeds	(1,480,000)	
Bond premium	(49,262)	
Repayment of bonds	1,445,000	
Deferred loss on bond refunding	22,738	(61,524)
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.		727,555
Capital lease proceeds are booked as an other financing source in the governmental funds but is a liability in the statement of net position.		(55,248)
Decrease 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.		4,377
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 income.		93,640
Increase 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.		(22,087)
Change in net position of governmental activities		$ 2,293,389

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

Town of Milliken, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2018

	Water	Sewer	Trash	Stormwater	Total
Assets					
Current assets					
Equity in pooled cash and cash equivalents	$ 7,454,281	$ 4,461,479	$ 38,176	$ 170,291	$ 12,124,227
Receivables	1,032,933	345,208	51,062	359,726	1,788,929
Prepaid items	39,098	-	-	-	39,098
Total current assets	8,526,312	4,806,687	89,238	530,017	13,952,254
Noncurrent assets					
Restricted pooled cash and cash equivalents	73,668	-	-	-	73,668
Capital assets, not being depreciated	17,218,224	59,791	-	392,250	17,670,265
Capital assets, being depreciated, net	6,484,216	6,348,106	-	-	12,832,322
Total noncurrent assets	23,776,108	6,407,897	-	392,250	30,576,255
Total assets	32,302,420	11,214,584	89,238	922,267	44,528,509
Liabilities					
Current liabilities					
Accounts payable	364,484	12,045	38,893	209,724	625,146
Accrued interest payable	14,571	28,817	-	-	43,388
Current portion of notes and capital leases payable	194,824	322,465	-	-	517,289
Total current liabilities	573,879	363,327	38,893	209,724	1,185,823
Noncurrent liabilities					
Deposits payable	27,000	15,522	-	-	42,522
Notes and capital leases payable, net of current portion	5,093,265	1,787,218	-	-	6,880,483
Total noncurrent liabilities	5,120,265	1,802,740	-	-	6,923,005
Total liabilities	5,694,144	2,166,067	38,893	209,724	8,108,828
Net Position					
Net investment in capital assets	18,414,351	4,298,214	-	392,250	23,104,815
Restricted					
Plant investment	1,258,277	-	-	-	1,258,277
Capital improvements	5,894,275	3,139,649	-	-	9,033,924
Water rights acquisition	298,892	-	-	-	298,892
Unrestricted	742,481	1,610,654	50,345	320,293	2,723,773
Total net position	$ 26,608,276	$ 9,048,517	$ 50,345	$ 712,543	$ 36,419,681

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, 2018

	Water	Sewer	Trash	Stormwater	Total
Operating revenues					
Charges for services	$ 1,898,012	$ 1,144,610	$ 464,544	$ 154,848	$ 3,662,014
Miscellaneous revenues	55,582	34,943	2,496	-	93,021
Total operating revenues	1,953,594	1,179,553	467,040	154,848	3,755,035
Operating expenses					
Operations and maintenance	1,525,921	709,247	438,555	2,500	2,676,223
Depreciation	376,340	372,441	-	-	748,781
Total operating expenses	1,902,261	1,081,688	438,555	2,500	3,425,004
Operating income	51,333	97,865	28,485	152,348	330,031
Nonoperating revenues (expenses)					
Earnings on investments	103,217	57,703	733	4,277	165,930
Federal and state grants	386,478	-	-	343,219	729,697
Costs of bond issuance	(143,701)	-	-	-	(143,701)
Interest expense	(130,460)	(83,776)	-	-	(214,236)
Total nonoperating revenues (expenses)	215,534	(26,073)	733	347,496	537,690
Income before contributions and transfers	266,867	71,792	29,218	499,844	867,721
Capital contributions	2,204,794	767,819	-	-	2,972,613
Transfers out	-	-	(20,000)	-	(20,000)
Change in net position	2,471,661	839,611	9,218	499,844	3,820,334
Net position at beginning of year	24,136,615	8,208,906	41,127	212,699	32,599,347
Net position at end of year	$ 26,608,276	$ 9,048,517	$ 50,345	$ 712,543	$ 36,419,681

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, 2018

	Water	Sewer	Trash	Stormwater	Total
Cash flows from operating activities					
Cash received from customers	$ 2,187,993	$ 1,310,434	$ 456,931	$ 153,559	$ 4,108,917
Cash payments to suppliers	(1,052,426)	(463,773)	(430,031)	(2,500)	(1,948,730)
Cash payments to employees	(147,042)	(246,214)	-	-	(393,256)
Net cash flows from operating activities	988,525	600,447	26,900	151,059	1,766,931
Cash flows from non-capital financing activities					
Transfers out	-	-	(20,000)	-	(20,000)
Net cash flows from non-capital financing activities	-	-	(20,000)	-	(20,000)
Cash flows from capital and related financing activities					
Capital contributions	2,204,794	767,819	-	-	2,972,613
Grant revenues	386,478	-	-	-	386,478
Acquisition of plant and equipment	(6,127,850)	(68,660)	-	(182,526)	(6,379,036)
Bond proceeds	5,285,000	-	-	-	5,285,000
Bond premium	252,022	-	-	-	252,022
Costs of bond issuance	(143,701)	-	-	-	(143,701)
Principal paid on long-term debt	(947,282)	(316,999)	-	-	(1,264,281)
Interest paid on long-term debt	(118,509)	(88,105)	-	-	(206,614)
Net cash flows from capital and related financing activities	790,952	294,055	-	(182,526)	902,481
Cash flows from investing activities					
Interest received	103,217	57,703	733	4,277	165,930
Net change in cash and cash equivalents	1,882,694	952,205	7,633	(27,190)	2,815,342
Cash and cash equivalents at beginning of year	5,645,255	3,509,274	30,543	197,481	9,382,553
Cash and cash equivalents at end of year	$ 7,527,949	$ 4,461,479	$ 38,176	$ 170,291	$ 12,197,895

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

	Water	Sewer	Trash	Stormwater	Total
Operating income (loss)	$ 51,333	$ 97,865	$ 28,485	$ 152,348	$ 330,031
Adjustments to reconcile operating income (loss) to cash flows from operating activities					
Depreciation	376,340	372,441	-	-	748,781
(Increase) decrease in:					
Receivables	226,399	130,881	(10,109)	(1,289)	345,882
Prepaid items	(21,733)	-	-	-	(21,733)
Increase (decrease) in:					
Accounts payable	348,186	(740)	8,524	-	355,970
Deposits payable	8,000	-	-	-	8,000
Net cash flows from operating activities	$ 988,525	$ 600,447	$ 26,900	$ 151,059	$ 1,766,931

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 or issue bonded debt, without the approval of the Town. 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:

General Fund - 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, 2018:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	$ 4,708,138	$ 1,522,822	$ 6,230,960
Capital projects fund	400,000	-	400,000
Special revenue funds:			
Impact fees fund	373,000	-	373,000
Conservation trust fund	30,500	-	30,500
Streets fund	488,800	-	488,800
Grants fund	140,000	2,330,522	2,470,522
Debt service fund	299,755	2,039,262	2,339,017
Business-type funds:			
Water fund	5,560,316	5,785,820	11,346,136
Sewer fund	1,556,066	-	1,556,066
Trash fund	395,350	75,000	470,350
Stormwater fund	100,000	620,493	720,493
Total funds	$14,051,925	$12,373,919	$26,425,844

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.

Receivables

Accounts receivable are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2018.

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, 2018, fund balances are composed of the following:

	General	Debt Service Fund	Impact Fees Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	$ 350	$ -	$ -	$ -	$ 350
Restricted:					
Emergency reserve	223,435	-	-	-	223,435
Debt service	-	880,035	-	-	880,035
Parks and recreation	-	-	-	5,249	5,249
Committed:					
Capital projects	-	-	1,578,738	-	1,578,738
Assigned:					
Capital projects	-	-	-	503,492	503,492
Street projects	-	-	-	186,263	186,263
Unassigned	3,211,185	-	-	-	3,211,185
Total	$3,434,970	$ 880,035	$ 1,578,738	$ 695,004	$ 6,588,747

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, 2018, is as follows:

Cash on hand	$ 750
Cash in financial institutions	1,597,130
Cash held by county treasurer	78,843
Local government investment pool	16,954,798
Total	$ 18,631,521

Cash and cash equivalents per Statement of Net Position:

Government-wide Statement of Net Position	
Equity in pooled cash and cash equivalents	$ 18,329,142
Cash and cash equivalents - component unit	67,521
Restricted pooled cash and cash equivalents	234,858
Total	$ 18,631,521

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, 2018, 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, 2018, the Town and the Discretely Presented Component Unit had invested $16,954,798 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 of 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, 2018, 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, 2018.

4. Receivables

Receivables at December 31, 2018, consist of the following:

		Governmental Activities		Business-Type Activities		Total		Discretely Presented Component Unit
Taxes	$	2,416,531	$	-	$	2,416,531	$	-
Utilities		335		294,901		295,236		-
Deferred fees		233,540		824,526		1,058,066		-
Intergovernmental		465,759		669,502		1,135,261		-
Other		137,107		-		137,107		303,596
Total	$	3,253,272	$	1,788,929	$	5,042,201	$	303,596

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, 2018. The other note carries an interest rate of 5.0% and a balance of $39,043 at December 31, 2018. All the notes mature in December 2046, when all the principal and accrued interest will be due. As of December 31, 2018, there was accrued interest of $125,667, included in “Receivables” 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, 2018:

	Transfers Out			
	General Fund	Nonmajor Governmental Funds	Trash Fund	Total Transfers In
Transfers in:				
Governmental funds:				
General Fund	$ -	$ 170,000	$ 20,000	$ 190,000
Impact Fees Fund	-	-	-	-
Nonmajor Governmental funds	52,440	30,500	-	82,940
Total transfers out	$ 52,440	$ 200,500	$ 20,000	$ 272,940

The Town's interfund receivables and payables at December 31, 2018 (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	$ 455,759
Capital Projects	Conservation Trust Fund	28,691
		$ 484,450

7. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2018, follows:

	Beginning Balance	Additions	Deletions / Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 1,320,731	$ 296,264	$ -	$ 1,616,995
Construction in progress	309,635	48,320	(357,955)	-
Total capital assets, not being depreciated	1,630,366	344,584	(357,955)	1,616,995
Capital assets, being depreciated:				
Buildings and other improvements	4,983,342	93,610	-	5,076,952
Infrastructure	14,532,583	1,093,113	357,955	15,983,651
Vehicles, machinery and equipment	1,672,226	196,408	-	1,868,634
Total capital assets, being depreciated	21,188,151	1,383,131	357,955	22,929,237
Less accumulated depreciation:				
Buildings and other improvements	(1,136,190)	(111,987)	-	(1,248,177)
Infrastructure	(5,055,689)	(494,077)	-	(5,549,766)
Vehicles, machinery and equipment	(1,432,837)	(85,845)	-	(1,518,682)
Total accumulated depreciation:	(7,624,716)	(691,909)	-	(8,316,625)
Capital assets, being depreciated, net	13,563,435	691,222	357,955	14,612,612
Total governmental activities capital assets, net	$15,193,801	$1,035,806	$ -	$16,229,607

	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	4,725,000	-	15,998,765
Construction in progress	392,353	1,724,499	(552,363)	1,564,489
Total capital assets, not being depreciated	11,773,129	6,449,499	(552,363)	17,670,265
Capital assets, being depreciated:				
Collection and distribution system	21,415,177	62,542	552,363	22,030,082
Buildings and other improvements	400,979	-	-	400,979
Vehicles, machinery and equipment	660,645	103,981	-	764,626
Total capital assets, being depreciated:	22,476,801	166,523	552,363	23,195,687
Less accumulated depreciation:				
Collection and distribution system	(8,925,986)	(722,944)	-	(9,648,930)
Buildings and other improvements	(104,102)	(8,020)	-	(112,122)
Vehicles, machinery and equipment	(584,496)	(17,817)	-	(602,313)
Total accumulated depreciation:	(9,614,584)	(748,781)	-	(10,363,365)
Capital assets, being depreciated, net	12,862,217	(582,258)	552,363	12,832,322
Total business-type activities capital assets, net	$24,635,346	$5,867,241	$ -	$30,502,587

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

Governmental activities:	
Administration	$ 409,375
Public safety	79,088
Public works	48,627
Parks and open space	154,819
Total	$ 691,909
Business-type activities:	
Water fund	$ 376,340
Sewer fund	372,441
Total	$ 748,781

8. Long-Term Liabilities

Governmental Activities

Bonds Payable

In April 2018, the Town issued $1,480,000 in General Obligation Refunding Bonds, Series 2018, with interest rates ranging from 3 to 4 percent. The net proceeds of $1,467,738 (after payment of $61,524 in underwriting fees, insurance and other issue costs) were used to refund the Town's outstanding General Obligation Bonds, Series 2007. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $15,198. The Town completed the refunding to reduce the total debt service payments over a period of 10 years by $113,224 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $43,980.

Leases Payable

The Town entered a capital lease for two new vehicles during 2018. Annual payments are required until 2022 including interest at 6.45%. The vehicles secure the capital lease and lease payments will be made by the General Fund.

Business-Type Activities

Notes Payable

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%.

Leases Payable

The Town entered a capital lease for a new truck in 2018. Annual payments of are required until 2022 including interest at 6.45%. The truck secures the capital lease.

Bonds Payable

In April 2018, the Town issued $5,285,000 in Water Revenue Refunding and Improvement Bonds, Series 2018, with interest rates ranging from 3 to 4 percent. The net proceeds of $5,285,000 (after payment of $252,022 in underwriting fees, insurance and other issue costs) were used to refund the Town's outstanding USDA note payable and invest in capital assets. The net proceeds used in the refunding of the USDA note was $685,671 (after payment of $21,620 underwriting fees, insurance and other issue costs). The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $7,540. The Town completed the refunding to reduce the total debt service payments over a period of 20 years by $29,362 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $32,250.

A summary of changes in long-term debt for the year ended December 31, 2018, follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Sales and use tax revenue bonds	$ 565,000	$ -	$ 565,000	$ -	$ -
General obligation bonds	1,445,000	-	1,445,000	-	-
General obligation refunding bonds	-	1,480,000	150,000	1,330,000	135,000
Premium on refunding bonds	-	49,262	-	49,262	-
Capital leases	-	55,248	12,555	42,693	9,777
Compensated absences	112,799	96,891	74,804	134,886	-
	$ 2,122,799	$ 1,681,401	$ 2,247,359	$ 1,556,841	$ 144,777
Business-type activities					
Notes payable:					
USDA	$ 671,087	$ -	$ 671,087	$ -	$ -
CWRPDA	2,426,682	-	316,999	2,109,683	322,465
Capital leases	-	27,262	6,195	21,067	4,824
Bonds payable:					
Water revenue refunding & improvement bonds	-	5,285,000	270,000	5,015,000	190,000
Premium on refunding & improvement bonds	-	252,022	-	252,022	-
	$ 3,097,769	$ 5,564,284	$ 1,264,281	$ 7,397,772	$ 517,289

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

	Governmental Activities		Business-type Activities	
Year	Principal	Interest	Principal	Interest
2019	$ 144,777	$ 44,277	$ 517,289	$ 264,928
2020	145,408	39,597	533,532	251,697
2021	151,079	34,875	544,328	240,718
2022	161,429	29,961	554,967	223,559
2023	145,000	24,700	581,654	191,170
2024-2028	625,000	53,800	1,593,980	687,393
2029-2033	-	-	1,440,000	434,250
2034-2037	-	-	1,380,000	127,350
	$ 1,372,693	$ 227,210	$ 7,145,750	$ 2,421,065

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 10.0 percent and 8 percent, respectively, of base salary for total contribution rate of 18.0 percent in 2018. 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 $44,587 for the year ended December 31, 2018.

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, 2017 through June 30, 2018 was 14.8 percent. The Defined Benefit Component contribution rate from July 1, 2016 through June 30, 2017 was 13.5 percent. Contributions to the SWH plan from the Town were $8,031 for the year ended December 31, 2018.

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, 2018, the Town reported a net pension asset of $91,074 and $126,549 for the Statewide Hybrid Plan and the Statewide Defined Benefit Plan, respectively, for its proportionate shares of the net pension asset/liability. The net pension asset/liability was measured as of December 31, 2017, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of January 1, 2018. The actuarially determined contributions as of December 31, 2017 are based upon the January 1, 2017 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, 2017, the Town's proportion was 0.088 percent, which was a decrease of 0.005 from its proportion measured as of December 31, 2016 for the Statewide Defined Benefit Plan. At December 31, 2017, the Town's proportion was 0.466 percent, which was a decrease of 0.089 from its proportion measured as of December 31, 2016 for the Statewide Hybrid Plan.

For the year ended December 31, 2018, the Town recognized pension income of $71,288. At December 31, 2018, 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	$ 91,260	$ 1,402
Changes of assumptions or other inputs	19,066	-
Net difference between projected and actual earnings on pension plan investments	-	42,968
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	17,244
Contributions subsequent to the measurement date	44,587	-
	$ 154,913	$ 61,614

Statewide Hybrid Plan				
		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	$	41,431	$	-
Changes of assumptions or other inputs		1,909		-
Net difference between projected and actual earnings on pension plan investments		-		6,493
Changes in proportion and differences between contributions recognized and proportionate share of contributions		14,827		4,381
Contributions subsequent to the measurement date		8,031		-
	$	66,198	$	10,874

The $44,587 and $8,031 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, 2019. 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
2019	$	13,126
2020		10,901
2021		(10,865)
2022		817
2023		14,237
Thereafter		20,497
	$	48,712

Statewide Hybrid Plan		
Year Ending December 31		Amount
2019	$	9,304
2020		9,304
2021		6,450
2022		5,240
2023		9,198
Thereafter		7,797
	$	47,293

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, 2017. The valuations used the following actuarial assumption and other inputs:

Town	
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 males 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	
Global Equity	37.00%	8.33%	
Equity Long/Short	9.00%	7.15%	
Illiquid Alternatives	24.00%	9.70%	
Fixed Income	15.00%	3.00%	
Absolute Return	9.00%	6.46%	
Managed Futures	4.00%	6.85%	
Cash	2.00%	2.26%	**
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)	$ 137,775	$ (126,549)	$ (346,037)

Statewide Hybrid Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability/(asset)	$ (64,409)	$ (91,074)	$ (113,515)

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, 2018, the Town and employee contributions were $28,652 and $19,101, respectively, equal to the required contributions. For the years ended December 31, 2017 and December 31, 2016, the Town and employee contributions were $28,896 and $19,264 and $31,409 and $20,940, 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, 2018, the Town has restricted $224,716 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

Subsequent events have been evaluated through July 30, 2019 which represents the date the financial statements were available to be issued. No additional transactions or events that would require adjustment or disclosure in the financial statements were identified.

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes and fees	$ 3,774,429	$ 3,774,429	$ 4,121,035	$ 346,606
Licenses and permits	455,200	455,200	598,538	143,338
Charges for services	47,900	47,900	66,857	18,957
Fines and forfeitures	110,000	110,000	73,511	(36,489)
Intergovernmental	28,294	28,294	240,032	211,738
Earnings on investments	8,000	8,000	72,794	64,794
Miscellaneous	82,000	82,000	169,905	87,905
Grants and contributions	13,000	13,000	25,770	12,770
Total revenues	4,518,823	4,518,823	5,368,442	849,619
Expenditures				
Current:				
Town board	118,122	118,122	94,161	23,961
Municipal court	149,591	149,591	137,483	12,108
Administration	920,028	920,028	899,572	20,456
Public safety	1,284,912	1,284,912	1,089,251	195,661
Community development	562,366	562,366	439,301	123,065
Public works	430,236	430,236	594,784	(164,548)
Facilities maintenance	357,212	357,212	239,549	117,663
Parks and open space	527,524	527,524	423,407	104,117
Senior citizen program	40,075	40,075	44,077	(4,002)
Community festivals	39,150	39,150	41,331	(2,181)
TRPR facilities	202,922	202,922	202,507	415
Debt service	-	-	12,555	(12,555)
Capital outlay	76,000	1,528,000	1,210,652	317,348
Total expenditures	4,708,138	6,160,138	5,428,630	731,508
Deficiency of revenues over expenditures	(189,315)	(1,641,315)	(60,188)	1,581,127
Other financing sources (uses)				
Proceeds from capital lease	-	-	55,248	55,248
Transfers in	190,000	190,000	190,000	-
Transfers out	-	(70,822)	(52,440)	18,382
Total other financing sources (uses)	190,000	119,178	192,808	73,630
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	$ 685	$ (1,522,137)	132,620	$ 1,654,757
Fund balance at beginning of year			3,302,350	
Fund balance at end of year			$ 3,434,970	

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, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Fees	$ 789,950	$ 789,950	$ 741,420	$ (48,530)
Earnings on investments	-	-	15,503	15,503
Total revenues	789,950	789,950	756,923	(33,027)
Expenditures				
Capital outlay	323,000	323,000	36,169	286,831
Total expenditures	323,000	323,000	36,169	286,831
Excess (deficiency) of revenues over expenditures	466,950	466,950	720,754	253,804
Other financing sources (uses)				
Transfers out	(50,000)	(50,000)	-	50,000
Total other financing sources (uses)	(50,000)	(50,000)	-	50,000
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	$ 416,950	$ 416,950	720,754	$ 303,804
Fund balance at beginning of year			857,984	
Fund balance at end of year			$ 1,578,738	

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

	2018*	2017*	2016*	2015*
Town's proportionate share of the net pension liability/(asset)	0.088%	0.093%	0.104%	0.100%
Town's proportion of the net pension liability/(asset)	$ (126,549)	$ 33,700	$ (1,842)	$ (112,857)
Town's covered payroll	$ 436,672	$ 506,488	$ 548,437	N/A
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-29%	7%	0%	N/A
Plan fiduciary net position as a percentage of the total pension	98.2%	98.2%	100.0%	107.0%

Statewide Hybrid Plan

	2018*	2017*	2016*	2015*
Town's proportionate share of the net pension liability/(asset)	0.466%	0.555%	0.519%	0.500%
Town's proportion of the net pension liability/(asset)	$ (91,074)	$ 60,411	$ 54,668	$ 57,325
Town's covered payroll	$ 59,354	$ 60,518	$ 56,958	N/A
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-153%	100%	96%	N/A
Plan fiduciary net position as a percentage of the total pension	127.5%	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

	2018	2017	2016	2015
Statutorily required contributions	$ 44,587	$ 41,162	$ 40,519	$ 43,875
Contributions in relation to the statutorily required contribution	$ 44,587	$ 41,162	$ 40,519	$ 43,875
Covered payroll	$ 445,870	$ 436,672	$ 506,488	$ 548,437
Contribution as a percentage of covered payroll	10%	9%	8%	8%

Statewide Hybrid Plan

	2018	2017	2016	2015
Statutorily required contributions	$ 8,031	$ 7,122	$ 7,177	$ 6,835
Contributions in relation to the statutorily required contribution	$ 8,031	$ 7,122	$ 7,177	$ 6,835
Covered payroll	$ 66,925	$ 59,354	$ 60,518	$ 56,958
Contribution as a percentage of covered payroll	12%	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, 2018

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	$ 445,541	$ 33,940	$ 210,155	$ -	$ 689,636
Receivables, net	29,260	-	14,468	465,759	509,487
Due from other funds	28,691	-	-	-	28,691
Total assets	$ 503,492	$ 33,940	$ 224,623	$ 465,759	$ 1,227,814
Liabilities and fund balances					
Liabilities					
Accounts payable	$ -	$ -	$ 38,360	$ -	$ 38,360
Unearned revenue	-	-	-	10,000	10,000
Due to other funds	-	28,691	-	455,759	484,450
Total liabilities	-	28,691	38,360	465,759	532,810
Fund balances					
Restricted	-	5,249	-	-	5,249
Assigned	503,492	-	186,263	-	689,755
Total fund balances	503,492	5,249	186,263	-	695,004
Total liabilities and fund balances	$ 503,492	$ 33,940	$ 224,623	$ 465,759	$ 1,227,814

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, 2018

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Revenues					
Taxes	$ 127,266	$ -	$ 63,838	$ -	$ 191,104
Intergovernmental	-	33,824	288,608	-	322,432
Earnings on investments	-	116	-	-	116
Grants and contributions	-	-	-	368,298	368,298
Total revenues	127,266	33,940	352,446	368,298	881,950
Expenditures					
Administration	-	-	-	124,474	124,474
Public works	8,867	-	155,508	-	164,375
Capital outlay	149,986	-	28,644	296,264	474,894
Total expenditures	158,853	-	184,152	420,738	763,743
Excess (deficiency) of revenues over expenditures	(31,587)	33,940	168,294	(52,440)	118,207
Other financing sources (uses)					
Transfers in	30,500	-	-	52,440	82,940
Transfers out	-	(30,500)	(170,000)	-	(200,500)
Total other financing sources (uses)	30,500	(30,500)	(170,000)	52,440	(117,560)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	(1,087)	3,440	(1,706)	-	647
Fund balances at beginning of year	504,579	1,809	187,969	-	694,357
Fund balances at end of year	$ 503,492	$ 5,249	$ 186,263	$ -	$ 695,004

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, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 509,090	$ 509,090	$ 462,945	$ (46,145)
Earnings on investments	-	-	11,402	11,402
Total revenues	509,090	509,090	474,347	(34,743)
Expenditures				
Current:				
Administration	-	61,524	57,070	4,454
Debt service:				
Principal	205,000	715,000	715,000	-
Interest	94,755	94,755	46,952	47,803
Total expenditures	299,755	871,279	819,022	52,257
Excess (deficiency) of revenues over (under) expenditures	209,335	(362,189)	(344,675)	17,514
Other financing sources (uses)				
Payment to escrow agent	-	(1,467,738)	(1,467,738)	-
Proceeds from bonds	-	1,480,000	1,480,000	-
Premium from bonds	-	49,262	49,262	-
Total other financing sources	-	61,524	61,524	-
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	$ 209,335	$ (300,665)	(283,151)	$ 17,514
Fund balance at beginning of year			1,163,186	
Fund balance at end of year			$ 880,035	

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ -	$ 127,266	$ 127,266
Total revenues	-	127,266	127,266
Expenditures			
Public works	-	8,867	(8,867)
Capital outlay	400,000	149,986	250,014
Total expenditures	400,000	158,853	241,147
Deficiency of revenues over expenditures	(400,000)	(31,587)	368,413
Other financing sources			
Transfers in	80,500	30,500	(50,000)
Total other financing sources	80,500	30,500	(50,000)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(319,500)	(1,087)	318,413
Fund balance at beginning of year		504,579	
Fund balance at end of year		$ 503,492	

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 30,000	$ 33,824	$ 3,824
Earnings on investments	500	116	(384)
Total revenues	30,500	33,940	3,440
Other financing (uses)			
Transfers out	(30,500)	(30,500)	-
Total other financing (uses)	(30,500)	(30,500)	-
Excess of revenues over other financing (uses)	$ -	3,440	$ 3,440
Fund balance at beginning of year		1,809	
Fund balance at end of year		$ 5,249	

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ -	$ 63,838	$ 63,838
Intergovernmental	308,567	288,608	(19,959)
Total revenues	308,567	352,446	43,879
Expenditures			
Public works	318,800	155,508	163,292
Capital outlay	-	28,644	(28,644)
Total expenditures	318,800	184,152	134,648
Excess (deficiency) of revenues over expenditures	(10,233)	168,294	178,527
Other financing sources (uses)			
Transfers out	(170,000)	(170,000)	-
Total other financing sources (uses)	(170,000)	(170,000)	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	$ (180,233)	(1,706)	$ 178,527
Fund balance at beginning of year		187,969	
Fund balance at end of year		$ 186,263	

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, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Grants and contributions	$ 140,000	$ 2,179,207	$ 368,298	$ (1,810,909)
Total revenues	140,000	2,179,207	368,298	(1,810,909)
Expenditures				
Administration	-	2,110,029	124,474	1,985,555
Capital outlay	140,000	360,493	296,264	64,229
Total expenditures	140,000	2,470,522	420,738	2,049,784
Excess (deficiency) of revenues over expenditures	-	(291,315)	(52,440)	238,875
Other financing sources				
Transfers in	-	291,315	52,440	(238,875)
Total other financing sources	-	291,315	52,440	(238,875)
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ -	-	$ -
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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 1,859,000	$ 1,859,000	$ 1,898,012	$ 39,012
Miscellaneous revenues	25,000	25,000	55,582	30,582
Total operating revenues	1,884,000	1,884,000	1,953,594	69,594
Operating expenses				
Operations and maintenance	1,697,418	1,697,418	1,525,921	171,497
Depreciation	280,070	280,070	376,340	(96,270)
Total operating expenses	1,977,488	1,977,488	1,902,261	75,227
Operating income	(93,488)	(93,488)	51,333	144,821
Other revenues (expenses)				
Capital contributions	2,545,235	2,545,235	2,204,794	(340,441)
Federal and state grants	-	-	386,478	386,478
Earnings on investments	7,000	7,000	103,217	96,217
Costs of bond issuance	-	(151,351)	(143,701)	7,650
Capital outlay	(3,530,000)	(8,915,671)	(6,127,850)	2,787,821
Principal paid on long-term debt	(21,202)	(270,000)	(947,282)	(677,282)
Interest expense	(31,626)	(31,626)	(118,509)	(86,883)
Total other revenues (expenses)	(1,030,593)	(6,816,413)	(4,642,853)	2,173,560
(Deficiency) of revenues over expenses	(1,124,081)	(6,909,901)	(4,591,520)	2,318,381
Other financing sources				
Bond proceeds	-	5,285,000	5,285,000	-
Bond premium	-	252,022	252,022	-
Total other financing sources	-	5,537,022	5,537,022	-
Change in net position - budgetary basis	$ (1,124,081)	$ (1,372,879)	945,502	$ 2,318,381
Net position at beginning of year - budgetary basis			6,886,655	
Depreciation			376,340	
Net position at end of year - budgetary basis			8,208,497	
Capital assets at beginning of year			17,923,667	
Accrued interest on debt at beginning of year			(2,620)	
Long-term debt at beginning of year			(671,087)	
Current year depreciation			(376,340)	
Current year difference in accrued interest			(11,951)	
Bond proceeds			(5,285,000)	
Bond premium			(252,022)	
Current year principal paid on long-term debt			947,282	
Current year capital outlay			6,127,850	
Net position at end of year - GAAP basis			$ 26,608,276	

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, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 1,050,000	$ 1,144,610	$ 94,610
Miscellaneous revenues	26,000	34,943	8,943
Total operating revenues	1,076,000	1,179,553	103,553
Operating expenses			
Operations and maintenance	611,424	709,247	(97,823)
Capital outlay - operational	20,000	-	20,000
Depreciation	325,000	372,441	(47,441)
Total operating expenses	956,424	1,081,688	(125,264)
Operating income	119,576	97,865	(21,711)
Other revenues (expenses)			
Capital contributions	875,420	767,819	(107,601)
Earnings on investments	6,500	57,703	51,203
Capital outlay - infrastructure	(200,000)	(68,660)	131,340
Principal paid on long-term debt	(311,534)	(316,999)	(5,465)
Interest expense	(88,108)	(88,105)	3
Total other revenues (expenses)	282,278	351,758	69,480
Change in net position - budgetary basis	$ 401,854	449,623	$ 47,769
Net position at beginning of year - budgetary basis		3,957,055	
Depreciation		372,441	
Net position at end of year - budgetary basis		4,779,119	
Capital assets at beginning of year		6,711,679	
Accrued interest on debt at beginning of year		(33,146)	
Long-term debt at beginning of year		(2,426,682)	
Current year difference in accrued interest		4,329	
Current year depreciation		(372,441)	
Current year principal paid on long-term debt		316,999	
Current year capital outlay		68,660	
Net position at end of year - GAAP basis		$ 9,048,517	

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, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues				
Charges for services	$ 400,000	$ 475,000	$ 464,544	$ (10,456)
Miscellaneous revenue	-	-	2,496	2,496
Total operating revenues	400,000	475,000	467,040	(7,960)
Operating expenses				
Operations and maintenance	375,350	450,350	438,555	11,795
Total operating expenses	375,350	450,350	438,555	11,795
Operating income	24,650	24,650	28,485	3,835
Other revenues (expenses)				
Earnings on investments	-	-	733	733
Total other revenues	-	-	733	733
Excess of revenues over expenses	24,650	24,650	29,218	4,568
Transfers				
Transfers out	(20,000)	(20,000)	(20,000)	-
Total transfers	(20,000)	(20,000)	(20,000)	-
Change in net position	$ 4,650	$ 4,650	9,218	$ 4,568
Net position at beginning of year			41,127	
Net position at end of year			$ 50,345	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 150,000	$ 150,000	$ 154,848	$ 4,848
Total operating revenues	150,000	150,000	154,848	4,848
Operating expenses				
Operations and maintenance	100,000	100,000	2,500	97,500
Total operating expenses	100,000	100,000	2,500	97,500
Operating income	50,000	50,000	152,348	102,348
Other revenues (expenses)				
Earnings on investments	-	-	4,277	4,277
Federal and state grants	-	437,500	343,219	(94,281)
Capital outlay	-	(500,000)	(182,526)	317,474
Total other revenues	-	(62,500)	164,970	227,470
Excess of revenues over expenses	50,000	(12,500)	317,318	329,818
Other financing sources (uses)				
Transfers out to Grants Fund	-	(120,493)	-	120,493
Total other financing sources (uses)	-	(120,493)	-	120,493
Change in net position - budgetary basis	$ 50,000	$ (132,993)	317,318	$ 450,311
Net position at beginning of year - budgetary basis			212,699	
Net position at end of year - budgetary basis			530,017	
Current year capital outlay			182,526	
Net position at end of year - GAAP Basis			$ 712,543	

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 2018**
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)	899,646
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)	899,646
B. Private Contributions	
C. Receipts from State government (from page 2)	288,608
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,188,254

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	298,780
2. Maintenance:	254,394
3. Road and street services:	
a. Traffic control operations	5,659
b. Snow and ice removal	11,123
c. Other	
d. Total (a. through c.)	16,782
4. General administration & miscellaneous	38,590
5. Highway law enforcement and safety	
6. Total (1 through 5)	608,546
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	16,414
b. Redemption	565,000
c. Total (a. + b.)	581,414
3. Total (1.c + 2.c)	581,414
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,189,960

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
187,970	1,188,254	1,189,960	186,264	0

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

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2018

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	254,394	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	581,414	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	63,838	g. Other Misc. Receipts	
6. Total (1. through 5.)	645,252	h. Other	
c. Total (a. + b.)	899,646	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	288,608	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)	288,608	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			298,780
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	298,780
			(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

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