



Town of Milliken, Colorado

Financial Statements and
Supplementary Information
For the Year Ended December 31, 2019



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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Milliken, Colorado, as of December 31, 2019, 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.



Emphasis of Matters

The COVID-19 outbreak in 2020 (see Note 14) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our conclusion is not modified with respect to this matter.

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 44 through 47 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Milliken, Colorado's internal control over financial reporting and compliance.

ACM LLP

Greeley, Colorado
September 30, 2020

**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

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, 2019. 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 2020. 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 \$65,106,519 at the close of 2019. Of this amount, \$9,434,450 (14.5%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's Net Position increased by \$7,039,752 in 2019. This increase is significantly attributable to the increase in building activity in 2019 which led 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, 2019, the combined fund balance for the Town's Governmental Funds was \$7,383,602, an increase of \$794,855 from 2018. Over 40%, \$2,980,342 of this balance, is unassigned and available for spending at the Town's discretion.
- General Fund expenditures increased approximately 24% compared to 2018 while revenue increased approximately 11% compared to 2018; however, expenditures include \$2,346,035 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 a decrease of \$175,215.

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 of 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.

**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

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.

**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

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, 2019, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$65 million, compared to \$58 million in 2018.

**Condensed Statement of Net Position
December 31, 2019 and 2018**

	2019			2018	
	Governmental Activities	Business- Type Activities	Total	Total	Percent Change
Assets					
Current and other assets	\$ 10,534,162	\$ 13,524,857	\$ 24,059,019	\$ 23,863,272	0.82%
Capital assets - net	17,837,884	34,623,858	52,461,742	46,732,194	12.26%
Total assets	28,372,046	48,148,715	76,520,761	70,595,466	8.39%
Deferred outflows of resources					
Deferred loss on bond refunding	16,201	-	16,201	22,738	-28.75%
Pension plan	457,666	-	457,666	221,111	106.98%
Total deferred outflows of resources	473,867	-	473,867	243,849	94.33%
Total assets and deferred outflows of resources	28,845,913	48,148,715	76,994,628	70,839,315	8.69%
Liabilities					
Current and other liabilities	520,220	207,052	727,272	1,475,217	-50.70%
Long-term liabilities	1,653,950	6,847,721	8,501,671	8,954,613	-5.06%
Total Liabilities	2,174,170	7,054,773	9,228,943	10,429,830	-11.51%
Deferred inflows of resources					
Pension plan	88,983	-	88,983	72,488	22.76%
Unearned revenue - property taxes	2,570,183	-	2,570,183	2,270,230	13.21%
Total deferred inflows of resources	2,659,166	-	2,659,166	2,342,718	13.51%
Total liabilities and deferred inflows of resources	4,833,336	7,054,773	11,888,109	12,772,548	-6.92%
Net position					
Net investment in capital assets	16,450,131	27,776,137	44,226,268	37,912,467	16.65%
Restricted	1,420,089	10,025,712	11,445,801	11,917,435	-3.96%
Unrestricted	6,142,357	3,292,093	9,434,450	8,236,865	14.54%
Total net position	\$ 24,012,577	\$ 41,093,942	\$ 65,106,519	\$ 58,066,767	12.12%

**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

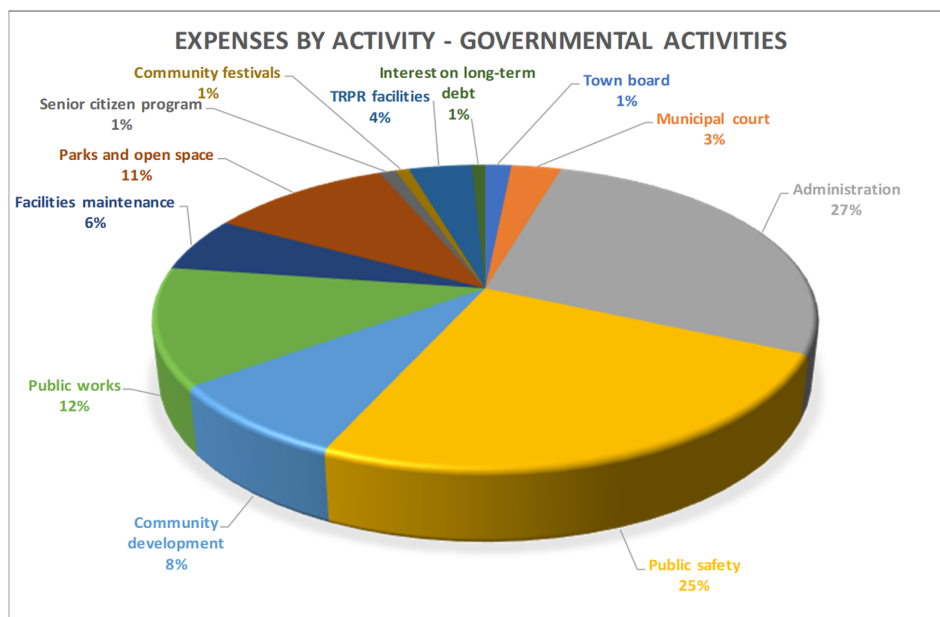
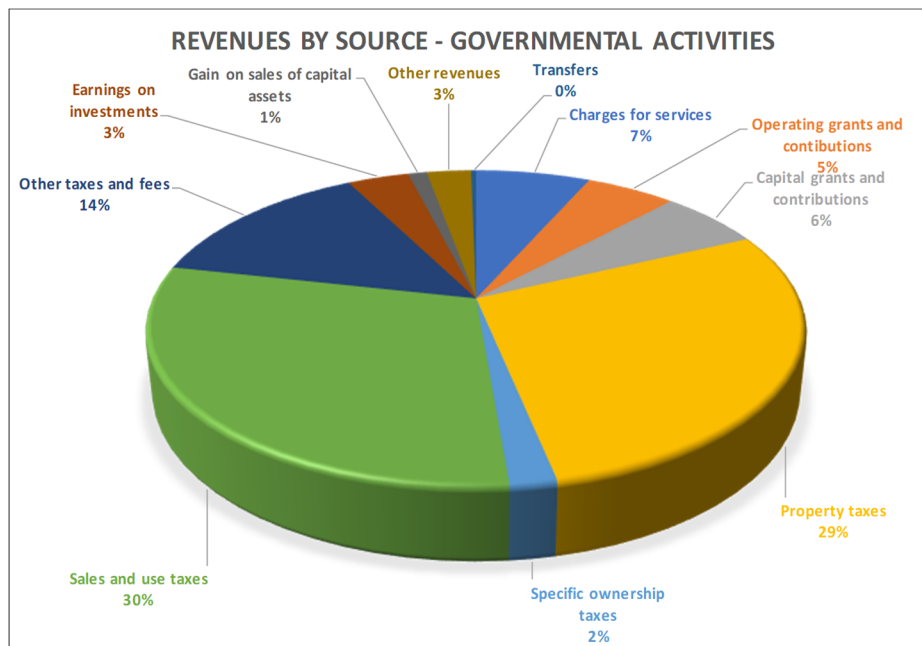
**Condensed Statement of Activities
Years Ended December 31, 2019 and 2018**

	2019			2018	
	Governmental Activities	Business- Type Activities	Total	Total	Percent Change
Revenues					
Program revenues					
Charges for services	\$ 523,569	\$ 3,940,155	\$ 4,463,724	\$ 4,400,920	1.43%
Operating grants and contributions	411,912	-	411,912	956,532	-56.94%
Capital grants and contributions	470,497	4,592,796	5,063,293	3,702,310	36.76%
General revenues					
Property taxes	2,225,211	-	2,225,211	2,090,343	6.45%
Specific ownership taxes	152,541	-	152,541	162,765	-6.28%
Sales and use taxes	2,312,597	-	2,312,597	2,099,928	10.13%
Other taxes and fees	1,086,048	-	1,086,048	1,163,468	-6.65%
Earnings on investments	281,001	61,800	342,801	265,745	29.00%
Gain on sales of capital assets	85,542	-	85,542	-	-
Other revenues	203,896	130,940	334,836	268,926	24.51%
Transfers	23,000	(23,000)	-	-	0.00%
Total Revenues	<u>7,775,814</u>	<u>8,702,691</u>	<u>16,478,505</u>	<u>15,110,937</u>	9.05%
Expenses					
Town board	82,771	-	82,771	94,161	-12.10%
Municipal court	157,253	-	157,253	137,483	14.38%
Administration	1,482,264	-	1,482,264	1,512,578	-2.00%
Public safety	1,345,545	-	1,345,545	1,074,699	25.20%
Community development	440,332	-	440,332	439,301	0.23%
Public works	672,199	-	672,199	807,786	-16.79%
Facilities maintenance	315,008	-	315,008	239,549	31.50%
Parks and open space	577,223	-	577,223	578,226	-0.17%
Senior citizen program	52,420	-	52,420	44,077	18.93%
Community festivals	42,724	-	42,724	41,331	3.37%
TRPR facilities	200,000	-	200,000	202,507	-1.24%
Interest on long-term debt	42,585	-	42,585	42,575	0.02%
Water	-	2,414,896	2,414,896	2,176,422	10.96%
Sewer	-	1,105,857	1,105,857	1,165,464	-5.11%
Trash	-	507,677	507,677	438,555	15.76%
Stormwater	-	-	-	2,500	-100.00%
Total expenses	<u>5,410,323</u>	<u>4,028,430</u>	<u>9,438,753</u>	<u>8,997,214</u>	4.91%
Change in net position	2,365,491	4,674,261	7,039,752	6,113,723	15.15%
Net position, beginning of year	21,647,086	36,419,681	58,066,767	51,953,044	11.77%
Net position, end of year	\$ 24,012,577	\$ 41,093,942	\$ 65,106,519	\$ 58,066,767	12.12%

**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

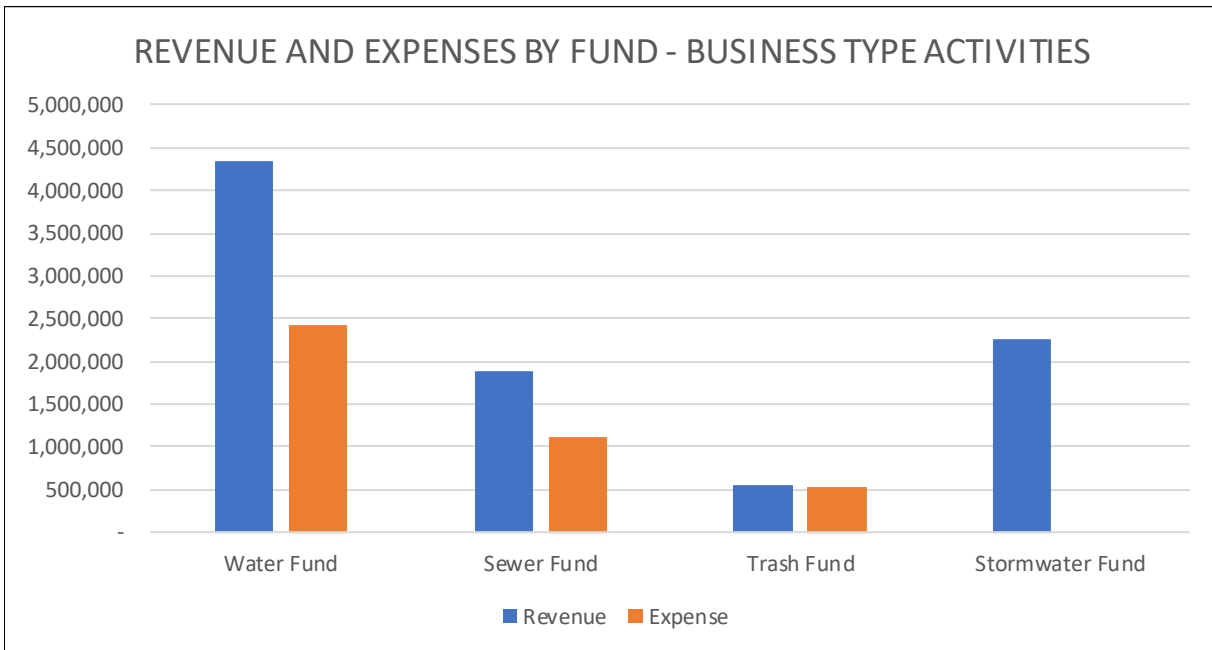
FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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 2019 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 (29%) and Sales and Use Taxes (30%) 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.



**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

Business-Type Activities. The Net Position in the Town's Business-Type Activities increased by \$4,674,261 in 2019. 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 \$6,568,503, which was \$657,464 more than the Town's amended Budget. The primary sources of revenues were property taxes (\$2,046,749), sales and use taxes (\$1,848,350) and building permits (\$368,629). 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 a decrease to the Town's fund balance of \$175,215. The amount in the ending fund balance for 2019, \$3,259,755, is well in excess of the minimum target reserve of approximately \$1,348,744 (20% of annual expenditures).

Capital Assets

At the end of the year, the Town's capital assets held, less accumulated depreciation, amounted to \$52,461,742. 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 2019, approximately \$7.4 million. Primary capital projects of the Town in 2019 include significant street improvements, a reverse osmosis (RO) treatment plant, and storm drainage improvements. Refer to Note 7 in the Notes to Financial Statements for more information.

**Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2019**

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. In 2019, the Town entered into multiple capital leases for the purchase of both large equipment and vehicles.

At the end of 2019, long-term debt balances in governmental activities was \$1,548,759, a decrease of \$8,082 from 2018. Long-term debt balances in business-type activities decreased \$550,051 over 2019 ending the year with \$6,847,721.

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, 2019

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Milliken Housing
	Activities	Activities		Authority
Assets				
Equity in pooled cash and cash equivalents	\$ 4,544,263	\$ 12,178,241	\$ 16,722,504	\$ -
Cash and cash equivalents	-	-	-	2,521
Receivables	3,754,026	3,184,790	6,938,816	315,107
Prepaid items	50,584	39,098	89,682	-
Restricted pooled cash and cash equivalents	164,794	73,668	238,462	-
Internal balances	1,950,940	(1,950,940)	-	-
Capital assets, not being depreciated	2,915,198	16,105,776	19,020,974	-
Capital assets, being depreciated, net	14,922,686	18,518,082	33,440,768	-
Notes receivable	-	-	-	1,526,235
Net pension asset	69,555	-	69,555	-
Total assets	28,372,046	48,148,715	76,520,761	1,843,863
Deferred outflows of resources				
Deferred loss on bond refunding	16,201	-	16,201	-
Pension plan	457,666	-	457,666	-
Total deferred outflows of resources	473,867	-	473,867	-
Liabilities				
Accounts payable	141,807	120,186	261,993	-
Payroll liabilities payable	204,645	3,361	208,006	-
Accrued interest payable	9,398	38,983	48,381	-
Unearned revenue	10,000	-	10,000	-
Deposits payable	154,370	44,522	198,892	-
Noncurrent liabilities:				
Net pension liability	105,191	-	105,191	-
Accrued compensated absences	144,805	-	144,805	-
Due within one year	145,408	533,532	678,940	-
Due in more than one year	1,258,546	6,314,189	7,572,735	-
Total liabilities	2,174,170	7,054,773	9,228,943	-
Deferred inflows of resources				
Pension plan	88,983	-	88,983	-
Unearned revenue - property taxes	2,570,183	-	2,570,183	-
Total deferred inflows of resources	2,659,166	-	2,659,166	-
Net position				
Net investment in capital assets	16,450,131	27,776,137	44,226,268	-
Restricted for:				
Emergencies	228,829	-	228,829	-
Net pension asset	69,555	-	69,555	-
Debt service	1,114,207	-	1,114,207	-
Parks and recreation	7,498	-	7,498	-
Capital improvements	-	9,669,407	9,669,407	-
Water rights acquisition	-	356,305	356,305	-
Unrestricted	6,142,357	3,292,093	9,434,450	1,843,863
Total net position	\$ 24,012,577	\$ 41,093,942	\$ 65,106,519	\$ 1,843,863

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

Town of Milliken, Colorado
Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Town board	\$ 82,771	\$ 40,634	\$ 12,170	\$ -
Municipal court	157,253	73,840	-	-
Administration	1,482,264	409,095	31,194	-
Public safety	1,345,544	-	24,983	-
Community development	440,332	-	-	-
Public works	672,199	-	303,921	470,497
Facilities maintenance	315,008	-	-	-
Parks and open space	577,223	-	39,644	-
Senior citizen program	52,420	-	-	-
Community festivals	42,724	-	-	-
TRPR facilities	200,000	-	-	-
Interest on long-term debt	42,585	-	-	-
Total governmental activities	5,410,323	523,569	411,912	470,497
Business-type activities:				
Water	2,414,896	2,018,415	-	2,073,717
Sewer	1,105,857	1,218,946	-	552,252
Trash	507,677	536,814	-	-
Stormwater	-	165,980	-	1,966,827
Total business-type activities	4,028,430	3,940,155	-	4,592,796
Total primary government	\$ 9,438,753	\$ 4,463,724	\$ 411,912	\$ 5,063,293
Component unit:				
Milliken Housing Authority	\$ 65,000	\$ -	\$ -	\$ -

General revenues:

Taxes:
 Property taxes
 Specific ownership taxes
 Sales and use taxes
 Other taxes and fees
Earnings on investments
Gain on sale of capital assets
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
\$ (29,967)	\$ -	\$ (29,967)	\$ -
(83,413)	-	(83,413)	-
(1,041,975)	-	(1,041,975)	-
(1,320,561)	-	(1,320,561)	-
(440,332)	-	(440,332)	-
102,219	-	102,219	-
(315,008)	-	(315,008)	-
(537,579)	-	(537,579)	-
(52,420)	-	(52,420)	-
(42,724)	-	(42,724)	-
(200,000)	-	(200,000)	-
(42,585)	-	(42,585)	-
(4,004,345)	-	(4,004,345)	-
-	1,677,236	1,677,236	-
-	665,341	665,341	-
-	29,137	29,137	-
-	2,132,807	2,132,807	-
-	4,504,521	4,504,521	-
(4,004,345)	4,504,521	500,176	-
-	-	-	(65,000)

2,225,211	-	2,225,211	-
152,541	-	152,541	-
2,312,597	-	2,312,597	-
1,086,048	-	1,086,048	-
281,001	61,800	342,801	11,511
85,542	-	85,542	-
203,896	130,940	334,836	-
6,346,836	192,740	6,539,576	11,511
23,000	(23,000)	-	-
6,369,836	169,740	6,539,576	11,511
2,365,491	4,674,261	7,039,752	(53,489)
21,647,086	36,419,681	58,066,767	1,897,352
\$ 24,012,577	\$ 41,093,942	\$ 65,106,519	\$ 1,843,863

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

Town of Milliken, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	\$ 835,270	\$ 949,413	\$ 1,486,625	\$ 1,272,955	\$ 4,544,263
Restricted pooled cash and cash equivalents	-	164,794	-	-	164,794
Receivables	3,224,543	221,389	136,640	171,454	3,754,026
Prepaid items	50,584	-	-	-	50,584
Due from other funds	1,950,940	-	-	-	1,950,940
Total assets	\$ 6,061,337	\$ 1,335,596	\$ 1,623,265	\$ 1,444,409	\$ 10,464,607
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 93,773	\$ -	\$ -	\$ 48,034	\$ 141,807
Payroll liabilities payable	204,645	-	-	-	204,645
Unearned revenue	-	-	-	10,000	10,000
Deposits	154,370	-	-	-	154,370
Total liabilities	452,788	-	-	58,034	510,822
Deferred inflows of resources					
Deferred revenue - property taxes	2,348,794	221,389	-	-	2,570,183
Total deferred inflows of resources	2,348,794	221,389	-	-	2,570,183
Fund balances					
Nonspendable	50,584	-	-	-	50,584
Restricted	228,829	1,114,207	-	7,498	1,350,534
Committed	-	-	1,623,265	-	1,623,265
Assigned	-	-	-	1,378,877	1,378,877
Unassigned	2,980,342	-	-	-	2,980,342
Total fund balances	3,259,755	1,114,207	1,623,265	1,386,375	7,383,602
Total liabilities, deferred inflows of resources and fund balances	\$ 6,061,337	\$ 1,335,596	\$ 1,623,265	\$ 1,444,409	\$ 10,464,607

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, 2019

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

Fund balances of governmental funds	\$ 7,383,602
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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	\$ 26,887,866	
Less: accumulated depreciation	(9,049,982)	17,837,884

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	\$ (1,368,854)	
Premium on refunding bonds	(35,100)	
Deferred loss on bond refunding	16,201	
Accrued compensated absences	(144,805)	
Accrued interest payable	(9,398)	(1,541,956)

The net pension asset, net pension liability, 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	\$ 69,555	
Net pension liability	(105,191)	
Deferred outflows of resources related to pensions	457,666	
Deferred inflows of resources related to pensions	(88,983)	333,047

Total net position of governmental activities	\$ 24,012,577
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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, 2019

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes and fees	\$ 4,553,347	\$ 406,194	\$ 520,264	\$ 296,592	\$ 5,776,397
Licenses and permits	409,095	-	-	-	409,095
Charges for services	40,634	-	-	-	40,634
Fines and forfeitures	73,840	-	-	-	73,840
Intergovernmental	410,409	-	-	343,566	753,975
Earnings on investments	273,816	4,878	2,202	105	281,001
Miscellaneous	203,896	-	-	-	203,896
Grants and contributions	12,170	-	-	116,264	128,434
Total revenues	5,977,207	411,072	522,466	756,527	7,667,272
Expenditures					
Current:					
Town board	82,771	-	-	-	82,771
Municipal court	157,253	-	-	-	157,253
Administration	915,455	400	-	340	916,195
Public safety	1,248,801	-	-	-	1,248,801
Community development	440,332	-	-	-	440,332
Public works	414,259	-	-	63,808	478,067
Facilities maintenance	315,008	-	-	-	315,008
Parks and open space	516,160	-	-	-	516,160
Senior citizen program	52,420	-	-	-	52,420
Community festivals	42,724	-	-	-	42,724
TRPR facilities	200,000	-	-	-	200,000
Debt service:					
Principal	9,777	135,000	-	-	144,777
Interest	2,723	41,500	-	-	44,223
Capital outlay	2,346,035	-	210,439	98,508	2,654,982
Total expenditures	6,743,718	176,900	210,439	162,656	7,293,713
Excess (deficiency) of revenues over expenditures	(766,511)	234,172	312,027	593,871	373,559
Other financing sources (uses)					
Transfers in	193,000	-	-	505,000	698,000
Transfers out	-	-	(267,500)	(407,500)	(675,000)
Proceeds from sale of capital assets	257,358	-	-	-	257,358
Capital lease proceeds	140,938	-	-	-	140,938
Total other financing sources (uses)	591,296	-	(267,500)	97,500	421,296
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(175,215)	234,172	44,527	691,371	794,855
Fund balances at beginning of year	3,434,970	880,035	1,578,738	695,004	6,588,747
Fund balances at end of year	\$ 3,259,755	\$ 1,114,207	\$ 1,623,265	\$ 1,386,375	\$ 7,383,602

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, 2019

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

Net change in fund balances - governmental funds	\$ 794,855
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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	\$ 2,540,669	
Depreciation expense	<u>(760,576)</u>	1,780,093

Proceeds from the sale of capital assets are shown as other financing source, but are reduced by the net book value of the asset to calculate the gain or loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold.	(171,816)
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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.	144,777
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Capital lease proceeds are booked as an other financing source in the governmental funds but is a liability in the statement of net position.	(140,938)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund statement of revenues, expenditures and changes in fund balances.

Change in accrued interest payable	\$ (5,988)	
Amortization of bond premium	14,162	
Amortization of the deferred loss on refunding	<u>(6,536)</u>	1,638

Changes in the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to the Town's pension plans for the current year do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements.	(33,199)
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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.	(9,919)
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Change in net position of governmental activities	\$ 2,365,491
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The accompanying notes are an integral part of these financial statements.

Town of Milliken, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Water	Sewer	Trash	Stormwater	Total
Assets					
Current assets					
Equity in pooled cash and cash equivalents	\$ 6,904,138	\$ 5,226,681	\$ 47,422	\$ -	\$ 12,178,241
Receivables	535,217	267,065	55,443	2,327,065	3,184,790
Prepaid items	39,098	-	-	-	39,098
Total current assets	7,478,453	5,493,746	102,865	2,327,065	15,402,129
Noncurrent assets					
Restricted pooled cash and cash equivalents	73,668	-	-	-	73,668
Capital assets, not being depreciated	16,045,985	59,791	-	-	16,105,776
Capital assets, being depreciated, net	9,972,371	6,066,657	-	2,479,054	18,518,082
Total noncurrent assets	26,092,024	6,126,448	-	2,479,054	34,697,526
Total assets	33,570,477	11,620,194	102,865	4,806,119	50,099,655
Liabilities					
Current liabilities					
Accounts payable	58,353	19,520	42,313	-	120,186
Payroll liabilities payable	1,682	1,679	-	-	3,361
Accrued interest payable	14,571	24,412	-	-	38,983
Due to other funds	-	-	-	1,950,940	1,950,940
Current portion of notes and capital leases payable	200,136	333,396	-	-	533,532
Total current liabilities	274,742	379,007	42,313	1,950,940	2,647,002
Noncurrent liabilities					
Deposits payable	29,000	15,522	-	-	44,522
Notes and capital leases payable, net of current portion	4,860,366	1,453,823	-	-	6,314,189
Total noncurrent liabilities	4,889,366	1,469,345	-	-	6,358,711
Total liabilities	5,164,108	1,848,352	42,313	1,950,940	9,005,713
Net Position					
Net investment in capital assets	20,957,854	4,339,229	-	2,479,054	27,776,137
Restricted					
Capital improvements	6,024,356	3,645,051	-	-	9,669,407
Water rights acquisition	356,305	-	-	-	356,305
Unrestricted	1,067,854	1,787,562	60,552	376,125	3,292,093
Total net position	\$ 28,406,369	\$ 9,771,842	\$ 60,552	\$ 2,855,179	\$ 41,093,942

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, 2019

	Water	Sewer	Trash	Stormwater	Total
Operating revenues					
Charges for services	\$ 2,018,415	\$ 1,218,946	\$ 536,814	\$ 165,980	\$ 3,940,155
Miscellaneous revenues	81,053	36,408	3,995	9,484	130,940
Total operating revenues	2,099,468	1,255,354	540,809	175,464	4,071,095
Operating expenses					
Operations and maintenance	1,848,160	655,704	507,677	-	3,011,541
Depreciation	412,672	375,750	-	-	788,422
Total operating expenses	2,260,832	1,031,454	507,677	-	3,799,963
Operating income	(161,364)	223,900	33,132	175,464	271,132
Nonoperating revenues (expenses)					
Earnings on investments	39,804	21,576	75	345	61,800
Federal and state grants	507,424	-	-	1,966,827	2,474,251
Interest expense	(154,064)	(74,403)	-	-	(228,467)
Total nonoperating revenues (expenses)	393,164	(52,827)	75	1,967,172	2,307,584
Income before contributions and transfers	231,800	171,073	33,207	2,142,636	2,578,716
Capital contributions	1,566,293	552,252	-	-	2,118,545
Transfers out	-	-	(23,000)	-	(23,000)
Change in net position	1,798,093	723,325	10,207	2,142,636	4,674,261
Net position at beginning of year	26,608,276	9,048,517	50,345	712,543	36,419,681
Net position at end of year	\$ 28,406,369	\$ 9,771,842	\$ 60,552	\$ 2,855,179	\$ 41,093,942

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, 2019

	Water	Sewer	Trash	Stormwater	Total
Cash flows from operating activities					
Cash received from customers	\$ 2,599,185	\$ 1,333,467	\$ 536,428	\$ 294,929	\$ 4,764,009
Cash payments to suppliers	(2,003,519)	(338,823)	(504,257)	(209,724)	(3,056,323)
Cash payments to employees	(149,090)	(307,727)	-	-	(456,817)
Net cash flows from operating activities	446,576	686,917	32,171	85,205	1,250,869
Cash flows from non-capital financing activities					
Transfers out	-	-	(23,000)	-	(23,000)
Change in interfund payable	-	-	-	1,950,940	1,950,940
Net cash flows from non-capital financing activities	-	-	(23,000)	1,950,940	1,927,940
Cash flows from capital and related financing activities					
Capital contributions	1,566,293	552,252	-	-	2,118,545
Grant revenues	507,424	-	-	(119,977)	387,447
Acquisition of plant and equipment	(2,728,589)	(94,300)	-	(2,086,804)	(4,909,693)
Principal paid on long-term debt	(194,824)	(322,464)	-	-	(517,288)
Interest paid on long-term debt	(186,827)	(78,779)	-	-	(265,606)
Net cash flows from capital and related financing activities	(1,036,523)	56,709	-	(2,206,781)	(3,186,595)
Cash flows from investing activities					
Interest received	39,804	21,576	75	345	61,800
Net change in cash and cash equivalents	(550,143)	765,202	9,246	(170,291)	54,014
Cash and cash equivalents at beginning of year	7,527,949	4,461,479	38,176	170,291	12,197,895
Cash and cash equivalents at end of year	\$ 6,977,806	\$ 5,226,681	\$ 47,422	\$ -	\$ 12,251,909
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ (161,364)	\$ 223,900	\$ 33,132	\$ 175,464	\$ 271,132
Adjustments to reconcile operating income (loss) to cash flows from operating activities					
Depreciation	412,672	375,750	-	-	788,422
(Increase) decrease in:					
Receivables	497,717	78,143	(4,381)	119,465	690,944
Increase (decrease) in:					
Accounts payable	(306,131)	7,475	3,420	(209,724)	(504,960)
Payroll liabilities payable	1,682	1,679	-	-	3,361
Deposits payable	2,000	(30)	-	-	1,970
Net cash flows from operating activities	\$ 446,576	\$ 686,917	\$ 32,171	\$ 85,205	\$ 1,250,869
Noncash capital and related financing activities					
Amortization of bond premium	\$ 32,763	\$ -	\$ -	\$ -	\$ 32,763

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

Town of Milliken, Colorado

Notes to Financial Statements

December 31, 2019

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.

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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.

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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.

Town of Milliken, Colorado

Notes to Financial Statements

December 31, 2019

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, 2019:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	\$ 5,268,801	\$ 2,800,000	\$ 8,068,801
Capital projects fund	300,000	-	300,000
Special revenue funds:			
Impact fees fund	802,500	-	802,500
Conservation trust fund	31,500	6,000	37,500
Streets fund	488,800	-	488,800
Grants fund	1,970,000	-	1,970,000
Debt service fund	176,500	-	176,500
Business-type funds:			
Water fund	4,620,004	468,500	5,088,504
Sewer fund	1,768,934	-	1,768,934
Trash fund	370,350	125,000	495,350
Stormwater fund	100,000	2,100,000	2,200,000
Total funds	\$ 15,897,389	\$ 5,499,500	\$ 21,396,889

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, 2019.

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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 the acquisition 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.

Town of Milliken, Colorado
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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.

Town of Milliken, Colorado
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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/expense 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/expense 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, 2019, fund balances are composed of the following:

	General Fund	Debt Service Fund	Impact Fees Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 50,584	\$ -	\$ -	\$ -	\$ 50,584
Restricted:					
Emergency reserve	228,829	-	-	-	228,829
Debt service	-	1,114,207	-	-	1,114,207
Parks and recreation	-	-	-	7,498	7,498
Committed:					
Capital projects	-	-	1,623,265	-	1,623,265
Assigned:					
Capital projects	-	-	-	862,423	862,423
Street projects	-	-	-	516,454	516,454
Unassigned	2,980,342	-	-	-	2,980,342
Total	\$3,259,755	\$ 1,114,207	\$ 1,623,265	\$ 1,386,375	\$ 7,383,602

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.

Town of Milliken, Colorado
Notes to Financial Statements
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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.

Town of Milliken, Colorado
Notes to Financial Statements
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3. Cash and Cash Equivalents

The composition of the Town's cash and cash equivalents, including restricted cash, on December 31, 2019, is as follows:

Cash on hand	\$ 750
Cash in financial institutions	2,116,966
Cash held by county treasurer	87,428
Local government investment pool	14,758,343
Total	\$ 16,963,487

Cash and cash equivalents per Statement of Net Position:

Government-wide Statement of Net Position	
Equity in pooled cash and cash equivalents	\$ 16,722,504
Cash and cash equivalents - component unit	2,521
Restricted pooled cash and cash equivalents	238,462
Total	\$ 16,963,487

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, 2019, 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.

Town of Milliken, Colorado
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Local Government Investment Pool

At December 31, 2019, the Town had invested \$14,758,343 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, 2019, 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, 2019.

4. Receivables

Receivables at December 31, 2019, consist of the following:

	Governmental Activities	Business-Type Activities	Total	Discretely Presented Component Unit
Taxes	\$ 2,822,413	\$ -	\$ 2,822,413	\$ -
Utilities	1,189	314,844	316,033	-
Deferred fees	148,140	514,583	662,723	-
Intergovernmental	98,680	2,310,046	2,408,726	-
Other	683,604	45,317	728,921	315,107
Total	\$ 3,754,026	\$ 3,184,790	\$ 6,938,816	\$ 315,107

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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, 2019. The other note carries an interest rate of 5.0% and a balance of \$39,043 at December 31, 2019. All of the notes mature in December 2046, when all the principal and accrued interest will be due. As of December 31, 2019, there was accrued interest of \$137,178, 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, 2019:

	Transfers Out			
	Impact Fees Fund	Nonmajor Governmental Funds	Trash Fund	Total Transfers In
Transfers in:				
Governmental funds:				
General Fund	\$ -	\$ 170,000	\$ 23,000	\$ 193,000
Nonmajor Governmental Funds	267,500	237,500	-	505,000
Total transfers out	\$267,500	\$ 407,500	\$ 23,000	\$ 698,000

The Town reports an interfund receivable in the General Fund and an interfund payable in the Stormwater Fund in the amount of \$1,950,940 as of December 31, 2019. This amount represents short-term receivables and payables and results from the need to cover the temporary negative cash positions in individual funds.

Town of Milliken, Colorado
Notes to Financial Statements
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7. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2019, follows:

	Beginning Balance	Additions	Deletions / Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,616,995	\$ -	\$ (126,744)	\$ 1,490,251
Construction in progress	-	1,424,947	-	1,424,947
Total capital assets, not being depreciated	1,616,995	1,424,947	(126,744)	2,915,198
Capital assets, being depreciated:				
Buildings and other improvements	5,076,952	35,585	(22,367)	5,090,170
Infrastructure	15,983,651	563,899	(31,624)	16,515,926
Vehicles, machinery and equipment	1,868,634	516,238	(18,300)	2,366,572
Total capital assets, being depreciated	22,929,237	1,115,722	(72,291)	23,972,668
Less accumulated depreciation:				
Buildings and other improvements	(1,248,177)	(114,660)	4,175	(1,358,662)
Infrastructure	(5,549,766)	(559,083)	4,744	(6,104,105)
Vehicles, machinery and equipment	(1,518,682)	(86,833)	18,300	(1,587,215)
Total accumulated depreciation:	(8,316,625)	(760,576)	27,219	(9,049,982)
Capital assets, being depreciated, net	14,612,612	355,146	(45,072)	14,922,686
Total governmental activities capital assets, net	\$16,229,607	\$1,780,093	\$ (171,816)	\$17,837,884

Town of Milliken, Colorado

Notes to Financial Statements

December 31, 2019

	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	15,998,765	-	-	15,998,765
Construction in progress	1,564,489	4,663,935	(6,228,424)	-
Total capital assets, not being depreciated	17,670,265	4,663,935	(6,228,424)	16,105,776
Capital assets, being depreciated:				
Collection and distribution system	22,030,082	162,929	2,479,054	24,672,065
Buildings and other improvements	400,979	16,500	3,749,370	4,166,849
Vehicles, machinery and equipment	764,626	66,329	-	830,955
Total capital assets, being depreciated:	23,195,687	245,758	6,228,424	29,669,869
Less accumulated depreciation:				
Collection and distribution system	(9,648,930)	(743,268)	-	(10,392,198)
Buildings and other improvements	(112,122)	(8,019)	-	(120,141)
Vehicles, machinery and equipment	(602,313)	(37,135)	-	(639,448)
Total accumulated depreciation:	(10,363,365)	(788,422)	-	(11,151,787)
Capital assets, being depreciated, net	12,832,322	(542,664)	6,228,424	18,518,082
Total business-type activities capital assets, net	\$30,502,587	\$4,121,271	\$ -	\$34,623,858

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

Governmental activities:	
Administration	\$ 441,837
Public safety	63,545
Public works	194,132
Parks and open space	61,063
Total	\$ 760,576
Business-type activities:	
Water fund	\$ 412,672
Sewer fund	375,750
Total	\$ 788,422

Town of Milliken, Colorado
Notes to Financial Statements
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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

In June 2018, the Town entered a capital lease for two new vehicles. Annual payments are required until June 20, 2022, including interest at 6.45%. The vehicles secure the capital lease and lease payments will be made by the General Fund.

In May 2019, the Town entered a capital lease for five new vehicles. Annual payments are required until May 13, 2023, including interest at 6.75%. 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

In June 2018, the Town entered a capital lease for a new truck. Annual payments are required until June 20, 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.

Town of Milliken, Colorado
Notes to Financial Statements
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A summary of changes in long-term debt for the year ended December 31, 2019, follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
General obligation refunding bonds	\$ 1,330,000	\$ -	\$ 135,000	\$ 1,195,000	\$ 135,000
Premium on refunding bonds	49,262	-	14,162	35,100	-
Capital leases	42,693	140,938	9,777	173,854	10,408
Compensated absences	134,886	96,891	86,972	144,805	-
	\$ 1,556,841	\$ 237,829	\$ 245,911	\$ 1,548,759	\$ 145,408
Business-type activities					
Notes payable:					
CWRPDA	2,109,683	-	322,464	1,787,219	333,396
Capital leases	21,067	-	4,824	16,243	5,136
Bonds payable:					
Water revenue refunding & improvement bonds	5,015,000	-	190,000	4,825,000	195,000
Premium on refunding & improvement bonds	252,022	-	32,763	219,259	-
	\$ 7,397,772	\$ -	\$ 550,051	\$ 6,847,721	\$ 533,532

The annual requirements to amortize the bonds and notes payable are as follows:

Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 135,000	\$ 37,450	\$ 528,396	\$ 267,697
2021	140,000	33,400	538,861	254,574
2022	150,000	29,200	549,327	239,015
2023	145,000	24,700	586,654	209,122
2024	150,000	20,350	623,981	176,193
2025-2029	475,000	33,450	1,240,000	644,250
2030-2034	-	-	1,495,000	376,650
2035-2037	-	-	1,050,000	75,900
	\$ 1,195,000	\$ 178,550	\$ 6,612,219	\$ 2,243,401

Following is a schedule of the future minimum lease payments under the capital leases, and the present value of the minimum lease payments at December 31, 2019:

Year	Governmental Activities	Business-type Activities
2020	\$ 54,503	\$ 5,616
2021	54,503	5,616
2022	54,503	5,616
2023	41,370	-
Total future minimum payments	204,879	16,848
Less: discount for interest	(31,025)	(605)
	\$ 173,854	\$ 16,243

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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>.

Town of Milliken, Colorado
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Benefits Provided

Statewide Defined Benefit Plan

The annual normal retirement benefit is 2.0 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 SWDB. 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 0.0 to the higher of 3.0 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account ("SRA") until retirement, and the SWDB may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their SRA has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2016, the standard Separate Retirement Account contribution rate for members of the Fire & Police SWDBP was set at 0.0 percent. The reentry SRA contribution rate was set at 3.70 percent.

A member is eligible for an early retirement at age 50 with at least five years of credited service or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5.0 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 SWDB and remain eligible for a retirement pension at age 55 equal to 2.0 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 within the Defined Benefit Component after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, 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.

Town of Milliken, Colorado
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December 31, 2019

Contributions

Statewide Defined Benefit Plan

The SWDBP 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 SWDBP 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 SWDBP and their employers are contributing at the rate of 10.0 percent and 8.0 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the SWDBP beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12.0 percent of base salary. Employer contributions will remain at 8.0 percent resulting in a combined contribution rate of 20.0 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.0 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4.0 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24.0 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4.0 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2018. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.0 percent of base salary. Employer contributions will remain at 4.0 percent resulting in a combined contribution rate of 10.0 percent in 2022.

Contributions to the SWDB plan from the Town were \$55,024 for the year ended December 31, 2019.

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, 2018 through June 30, 2019 was 13.40 percent. The Defined Benefit Component contribution rate from July 1, 2017 through June 30, 2018 was 14.80 percent.

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.

Contributions to the SWH plan from the Town were \$8,952 for the year ended December 31, 2019.

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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

At December 31, 2019, the Town reported a net pension liability of \$105,191 for the Statewide Defined Benefit Plan and a net pension asset of \$69,555 for the Statewide Hybrid Plan for its proportionate shares of the net pension asset/liability. The net pension asset/liability was measured as of December 31, 2018, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of January 1, 2019. The actuarially determined contributions as of December 31, 2018 are based upon the January 1, 2018 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, 2018, the Town's proportion was 0.083 percent, which was a decrease of 0.005 from its proportion measured as of December 31, 2017 for the Statewide Defined Benefit Plan. At December 31, 2018, the Town's proportion was 0.504 percent, which was a decrease of 0.038 from its proportion measured as of December 31, 2017 for the Statewide Hybrid Plan.

For the year ended December 31, 2019, the Town recognized pension expense of \$97,175. At December 31, 2019, 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	\$	135,161	\$ 1,124
Changes of assumptions or other inputs		101,874	-
Net difference between projected and actual earnings on pension plan investments		82,749	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions		-	86,139
Contributions subsequent to the measurement date		55,024	-
	\$	374,808	\$ 87,263

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

Statewide Hybrid Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 48,928	\$ -
Changes of assumptions or other inputs	10,126	-
Net difference between projected and actual earnings on pension plan investments	14,852	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	1,720
Contributions subsequent to the measurement date	8,952	-
	\$ 82,858	\$ 1,720

The \$55,024 and \$8,952 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, 2020. 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
2020	\$ 52,107
2021	31,085
2022	8,705
2023	54,428
2024	15,894
Thereafter	70,302
	\$ 232,521

Statewide Hybrid Plan	
Year Ending December 31	Amount
2019	\$ 16,843
2020	13,990
2021	12,780
2022	16,737
2023	9,889
Thereafter	1,947
	\$ 72,186

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

Actuarial Assumptions

Statewide Defined Benefit Plan and Statewide Hybrid Plan

The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.5%
Projected salary increases	4.25 - 11.25 percent	4.0 - 14.0 percent
Cost of Living Adjustment (COLA)	0.0 percent	0.0 percent
*Includes Inflation at	2.5 percent	2.5 percent

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

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. 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.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors were used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table.

Town of Milliken, Colorado

Notes to Financial Statements

December 31, 2019

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Private Markets	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	\$ 407,917	\$ 105,191	\$ (145,915)

Statewide Hybrid Plan			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
the net pension liability/(asset)	\$ (34,106)	\$ (69,555)	\$ (99,273)

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 financial report obtained on FPPA's website at <http://www.fppaco.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, 2019, the Town and employee contributions were \$36,098 and \$24,065, respectively, equal to the required contributions.

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

Town of Milliken, Colorado
Notes to Financial Statements
December 31, 2019

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, 2019, the Town has restricted \$241,520 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. Colorado Local Government Budget Laws

Colorado local budget laws state that a government may not expend any moneys in excess of the amount appropriated by resolution. Expenditures in the Debt Service Fund, the Water Fund, and the Trash Fund exceeded their appropriations by \$400, \$282,568, and \$35,327, respectively, which may be in violation of the Colorado local government budget laws.

14. Subsequent Events

Management of the Town has evaluated subsequent events through September 30, 2020, the date that the financial statements were available to be issued.

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the Town’s operational and financial performance will be affected is also uncertain. Therefore, while the Town expects this matter to negatively impact their business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes and fees	\$ 4,182,939	\$ 4,182,939	\$ 4,553,347	\$ 370,408
Licenses and permits	520,200	520,200	409,095	(111,105)
Charges for services	37,900	37,900	40,634	2,734
Fines and forfeitures	79,000	79,000	73,840	(5,160)
Intergovernmental	30,500	30,500	410,409	379,909
Earnings on investments	78,000	78,000	273,816	195,816
Miscellaneous	192,000	192,000	203,896	11,896
Grants and contributions	500	600,500	12,170	(588,330)
Total revenues	5,121,039	5,721,039	5,977,207	256,168
Expenditures				
Current:				
Town board	123,310	123,310	82,771	40,539
Municipal court	149,953	149,953	157,253	(7,300)
Administration	947,209	947,209	915,455	31,754
Public safety	1,429,627	1,429,627	1,248,801	180,826
Community development	608,514	608,514	440,332	168,182
Public works	736,402	736,402	414,259	322,143
Facilities maintenance	316,482	316,482	315,008	1,474
Parks and open space	642,275	642,275	516,160	126,115
Senior citizen program	57,649	57,649	52,420	5,229
Community festivals	54,400	54,400	42,724	11,676
TRPR facilities	202,980	202,980	200,000	2,980
Debt service				
Principal		-	9,777	(9,777)
Interest			2,723	(2,723)
Capital outlay	-	2,800,000	2,346,035	453,965
Total expenditures	5,268,801	8,068,801	6,743,718	1,325,083
Deficiency of revenues over expenditures	(147,762)	(2,347,762)	(766,511)	1,581,251
Other financing sources				
Proceeds from sale of capital assets	-	-	257,358	257,358
Proceeds from capital lease	-	-	140,938	140,938
Transfers in	190,000	190,000	193,000	3,000
Total other financing sources	190,000	190,000	591,296	401,296
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	\$ 42,238	\$ (2,157,762)	(175,215)	\$ 1,982,547
Fund balance at beginning of year			3,434,970	
Fund balance at end of year			\$ 3,259,755	

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, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	\$ 731,000	\$ 520,264	\$ (210,736)
Earnings on investments	-	2,202	2,202
Total revenues	731,000	522,466	(208,534)
Expenditures			
Capital outlay	535,000	210,439	324,561
Total expenditures	535,000	210,439	324,561
Excess of revenues over expenditures	196,000	312,027	116,027
Other financing sources (uses)			
Transfers out	(267,500)	(267,500)	-
Total other financing sources (uses)	(267,500)	(267,500)	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (71,500)	44,527	\$ 116,027
Fund balance at beginning of year		1,578,738	
Fund balance at end of year		\$ 1,623,265	

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

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Town's proportionate share of the net pension liability/(asset)	0.083%	0.088%	0.093%	0.104%	0.100%
Town's proportion of the net pension liability/(asset)	\$ 105,190	\$ (126,549)	\$ 33,700	\$ (1,842)	\$ (112,857)
Town's covered payroll	\$ 445,870	\$ 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	23.6%	-29.0%	6.7%	0.3%	N/A
Plan fiduciary net position as a percentage of the total pension	95.2%	106.3%	98.2%	100.1%	106.8%

Statewide Hybrid Plan

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Town's proportionate share of the net pension liability/(asset)	0.504%	0.466%	0.555%	0.519%	0.500%
Town's proportion of the net pension liability/(asset)	\$ (69,555)	\$ (91,074)	\$ 60,411	\$ 54,668	\$ 57,325
Town's covered payroll	\$ 66,925	\$ 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	-104.0%	-153.0%	100.0%	96.0%	N/A
Plan fiduciary net position as a percentage of the total pension	123.5%	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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 55,024	\$ 44,587	\$ 41,162	\$ 40,519	\$ 43,875
Contributions in relation to the statutorily required contribution	\$ 55,024	\$ 44,587	\$ 41,162	\$ 40,519	\$ 43,875
Covered payroll	\$ 598,576	\$ 445,870	\$ 436,672	\$ 506,488	\$ 548,437
Contribution as a percentage of covered payroll	9%	10%	9%	8%	8%

Statewide Hybrid Plan

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 8,952	\$ 8,031	\$ 7,122	\$ 7,177	\$ 6,835
Contributions in relation to the statutorily required contribution	\$ 8,952	\$ 8,031	\$ 7,122	\$ 7,177	\$ 6,835
Covered payroll	\$ 74,602	\$ 66,925	\$ 59,354	\$ 60,518	\$ 56,958
Contribution as a percentage of covered payroll	12%	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, 2019

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	\$ 627,061	\$ 7,498	\$ 542,160	\$ 96,236	\$ 1,272,955
Receivables, net	50,446	-	22,328	98,680	171,454
Total assets	\$ 677,507	\$ 7,498	\$ 564,488	\$ 194,916	\$ 1,444,409
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 48,034	\$ -	\$ 48,034
Unearned revenue	-	-	-	10,000	10,000
Total liabilities	-	-	48,034	10,000	58,034
Fund balances					
Restricted	-	7,498	-	-	7,498
Assigned	677,507	-	516,454	184,916	1,378,877
Total fund balances	677,507	7,498	516,454	184,916	1,386,375
Total liabilities and fund balances	\$ 677,507	\$ 7,498	\$ 564,488	\$ 194,916	\$ 1,444,409

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, 2019

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ 236,515	\$ -	\$ 60,077	\$ -	\$ 296,592
Intergovernmental	-	39,644	303,922	-	343,566
Earnings on investments	-	105	-	-	105
Grants and contributions	-	-	-	116,264	116,264
Total revenues	236,515	39,749	363,999	116,264	756,527
Expenditures					
Administration	-	-	-	340	340
Public works	-	-	63,808	-	63,808
Capital outlay	-	-	-	98,508	98,508
Total expenditures	-	-	63,808	98,848	162,656
Excess of revenues over expenditures	236,515	39,749	300,191	17,416	593,871
Other financing sources (uses)					
Transfers in	137,500	-	200,000	167,500	505,000
Transfers out	(200,000)	(37,500)	(170,000)	-	(407,500)
Total other financing sources (uses)	(62,500)	(37,500)	30,000	167,500	97,500
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	174,015	2,249	330,191	184,916	691,371
Fund balances at beginning of year	503,492	5,249	186,263	-	695,004
Fund balances at end of year	\$ 677,507	\$ 7,498	\$ 516,454	\$ 184,916	\$ 1,386,375

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, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 182,091	\$ 406,194	\$ 224,103
Earnings on investments	4,000	4,878	878
Total revenues	186,091	411,072	224,981
Expenditures			
Current:			
Administration	-	400	(400)
Debt service:			
Principal	135,000	135,000	-
Interest	41,500	41,500	-
Total expenditures	176,500	176,900	(400)
Excess of revenues over expenditures	\$ 9,591	234,172	\$ 224,581
Fund balance at beginning of year		880,035	
Fund balance at end of year		\$ 1,114,207	

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, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 327,957	\$ 236,515	\$ (91,442)
Total revenues	327,957	236,515	(91,442)
Expenditures			
Capital outlay	300,000	-	300,000
Total expenditures	300,000	-	300,000
Excess of revenues over expenditures	27,957	236,515	208,558
Other financing sources (uses)			
Transfers in	131,000	137,500	6,500
Transfers out		(200,000)	(200,000)
Total other financing sources (uses)	131,000	(62,500)	(193,500)
Excess of revenues over (under) expenditures and other financing sources (uses)	\$ 158,957	174,015	\$ 15,058
Fund balance at beginning of year		503,492	
Fund balance at end of year		<u>\$ 677,507</u>	

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 31,000	\$ 31,000	\$ 39,644	\$ 8,644
Earnings on investments	500	500	105	(395)
Total revenues	31,500	31,500	39,749	8,249
Other financing uses				
Transfers out	(31,500)	(37,500)	(37,500)	-
Total other financing uses	(31,500)	(37,500)	(37,500)	-
Excess (deficiency) revenues over other financing				
(uses)	\$ -	\$ (6,000)	2,249	\$ 8,249
Fund balance at beginning of year			5,249	
Fund balance at end of year			\$ 7,498	

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, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 55,000	\$ 60,077	\$ 5,077
Intergovernmental	230,907	303,922	73,015
Total revenues	285,907	363,999	78,092
Expenditures			
Public works	318,800	63,808	254,992
Total expenditures	318,800	63,808	254,992
Excess (deficiency) of revenues over expenditures	(32,893)	300,191	333,084
Other financing sources (uses)			
Transfers in	200,000	200,000	-
Transfers out	(170,000)	(170,000)	-
Total other financing sources (uses)	30,000	30,000	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (2,893)	330,191	\$ 333,084
Fund balance at beginning of year		186,263	
Fund balance at end of year		\$ 516,454	

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Grants and contributions	\$ 1,802,500	\$ 1,802,500	\$ 116,264	\$ (1,686,236)
Total revenues	1,802,500	1,802,500	116,264	(1,686,236)
Expenditures				
Administration	-	-	340	(340)
Capital outlay	1,970,000	1,970,000	98,508	1,871,492
Total expenditures	1,970,000	1,970,000	98,848	1,871,152
Excess (deficiency) of revenues over expenditures	(167,500)	(167,500)	17,416	184,916
Other financing sources				
Transfers in	167,500	167,500	167,500	-
Total other financing sources	167,500	167,500	167,500	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	184,916	\$ 184,916
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$ 184,916</u>	

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 1,850,000	\$ 1,850,000	\$ 2,018,415	\$ 168,415
Miscellaneous revenues	97,640	97,640	81,053	(16,587)
Total operating revenues	1,947,640	1,947,640	2,099,468	151,828
Operating expenses				
Operations and maintenance	2,023,684	2,023,684	1,848,160	175,524
Depreciation	280,070	280,070	412,672	(132,602)
Total operating expenses	2,303,754	2,303,754	2,260,832	42,922
Operating income	(356,114)	(356,114)	(161,364)	194,750
Other revenues (expenses)				
Capital contributions	2,481,595	2,481,595	1,566,293	(915,302)
Federal and state grants	-	-	507,424	507,424
Earnings on investments	7,000	7,000	39,804	32,804
Capital outlay	(1,941,500)	(2,410,000)	(2,728,589)	(318,589)
Principal paid on long-term debt	(190,000)	(190,000)	(194,824)	(4,824)
Interest expense	(184,750)	(184,750)	(186,827)	(2,077)
Total other revenues (expenses)	172,345	(296,155)	(996,719)	(700,564)
Change in net position - budgetary basis	\$ (183,769)	\$ (652,269)	(1,158,083)	\$ (505,814)
Net position at beginning of year - budgetary basis			8,208,497	
Depreciation			412,672	
Net position at end of year - budgetary basis			7,463,086	
Capital assets at beginning of year			23,702,440	
Accrued interest on debt at beginning of year			(12,367)	
Long-term debt at beginning of year			(5,288,089)	
Current year depreciation			(412,672)	
Current year difference in accrued interest			(2,205)	
Amortization of bond premium			32,763	
Current year principal paid on long-term debt			194,824	
Current year capital outlay			2,728,589	
Net position at end of year - GAAP basis			\$ 28,406,369	

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, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 1,050,000	\$ 1,218,946	\$ 168,946
Miscellaneous revenues	26,000	36,408	10,408
Total operating revenues	1,076,000	1,255,354	179,354
Operating expenses			
Operations and maintenance	875,472	655,704	219,768
Capital outlay - operational	28,120	42,245	(14,125)
Depreciation	325,000	375,750	(50,750)
Total operating expenses	1,228,592	1,073,699	154,893
Operating income	(152,592)	181,655	334,247
Other revenues (expenses)			
Capital contributions	875,420	552,252	(323,168)
Earnings on investments	6,500	21,576	15,076
Capital outlay - infrastructure	(150,000)	(52,055)	97,945
Principal paid on long-term debt	(311,534)	(322,464)	(10,930)
Interest expense	(78,808)	(78,808)	-
Total other revenues (expenses)	341,578	120,501	(221,077)
Change in net position - budgetary basis	\$ 188,986	302,156	\$ 113,170
Net position at beginning of year - budgetary basis		4,779,119	
Depreciation		375,750	
Net position at end of year - budgetary basis		5,457,025	
Capital assets at beginning of year		6,407,898	
Accrued interest on debt at beginning of year		(28,817)	
Long-term debt at beginning of year		(2,109,683)	
Current year difference in accrued interest		4,405	
Current year depreciation		(375,750)	
Current year principal paid on long-term debt		322,464	
Current year capital outlay		94,300	
Net position at end of year - GAAP basis		\$ 9,771,842	

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues				
Charges for services	\$ 450,000	\$ 575,000	\$ 536,814	\$ (38,186)
Miscellaneous revenue	-	-	3,995	3,995
Total operating revenues	450,000	575,000	540,809	(34,191)
Operating expenses				
Operations and maintenance	350,350	475,350	507,677	(32,327)
Total operating expenses	350,350	475,350	507,677	(32,327)
Operating income	99,650	99,650	33,132	(66,518)
Other revenues (expenses)				
Earnings on investments	-	-	75	75
Total other revenues	-	-	75	75
Excess of revenues over expenses	99,650	99,650	33,207	(66,443)
Transfers				
Transfers out	(20,000)	(20,000)	(23,000)	(3,000)
Total transfers	(20,000)	(20,000)	(23,000)	(3,000)
Change in net position	\$ 79,650	\$ 79,650	10,207	\$ (69,443)
Net position at beginning of year			50,345	
Net position at end of year			\$ 60,552	

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating revenues				
Charges for services	\$ 162,000	\$ 162,000	\$ 165,980	\$ 3,980
Miscellaneous revenue	-	-	9,484	9,484
Total operating revenues	162,000	162,000	175,464	13,464
Operating expenses				
Operations and maintenance	100,000	100,000	-	100,000
Total operating expenses	100,000	100,000	-	100,000
Operating income	62,000	62,000	175,464	113,464
Other revenues (expenses)				
Earnings on investments	-	-	345	345
Federal and state grants	-	1,837,500	1,966,827	129,327
Capital outlay	-	(2,100,000)	(2,086,804)	13,196
Total other revenues (expenses)	-	(262,500)	(119,632)	142,868
Change in net position	\$ 62,000	\$ (200,500)	55,832	\$ 256,332
Net position at beginning of year - budgetary basis			712,543	
Net position at end of year - budgetary basis			768,375	
Current year capital outlay			2,086,804	
Net position at end of year - GAAP Basis			\$ 2,855,179	

See accompanying Independent Auditor's Report.

State Compliance Section

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Milliken
		YEAR ENDING : December 2019
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**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	536,996
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	159,053
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,035
2. General fund appropriations	159,053	b. Snow and ice removal	19,446
3. Other local imposts (from page 2)	60,077	c. Other	
4. Miscellaneous local receipts (from page 2)		d. Total (a. through c.)	22,480
5. Transfers from toll facilities		4. General administration & miscellaneous	38,230
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	756,759
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	219,130	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	288,608	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	507,738	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	756,759

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
	162,877	523,051	756,759	(70,831)	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		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	60,077	g. Other Misc. Receipts	
6. Total (1. through 5.)	60,077	h. Other	
c. Total (a. + b.)	60,077	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	303,921	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)	303,921	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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			536,996
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	536,996
			(Carry forward to page 1)
Notes and Comments:			
(1) Other Taxes are Road and Bridge Taxes			