Town of Milliken, Colorado

Financial Statements and
Supplementary Information
For the Year Ended December 31, 2020

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO
International Limited, a UK company limited by guarantee.

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Milliken, Colorado, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, 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.

BDO USA, LLP

July 30, 2021

Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2020

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, 2020. 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 even with the ongoing COVID-19 pandemic and its economic effects. The Town did not see a decrease in tax revenues or an unbudgeted increase in expenditures as many other municipalities have experienced. Rather, sales tax revenues came in well above budget because of revenues generated from home deliveries and expenditures came in at budget or below. Because of these items, the Town is well-prepared to fund the operations and capital projects slated for 2021.

The general operations of the Town are primarily funded by tax revenues and grants and contributions. 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 $68,605,810 at the close of 2020. Of this amount, $12,300,386 (17.9%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's Net Position increased by $3,499,291 in 2020. This increase is significantly attributable to the increase in sales taxes as well as an increase in building activity 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, 2020, the combined fund balance for the Town's Governmental Funds was $8,070,877, an increase of $687,275 from 2019. Nearly 35.3%, $2,846,310 of this balance, is unassigned and available for spending at the Town's discretion.
- General Fund expenditures increased approximately 0.05% compared to 2019 while revenue increased approximately 0.12% compared to 2019. The net effect to the fund balance of the Town's General Fund was a decrease of $171,049.

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.

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

Fund Financial Statements

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

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

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

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

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

Notes to Financial Statements

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

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted previously, Net Position may serve as a useful indicator of the Town's financial position over time. For the year ending December 31, 2020, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $68.6 million, compared to $65.1 million in 2019.

Condensed Statement of Net Position
December 31, 2020 and 2019

	2020			2019	
	Governmental Activities	Business-Type Activities	Total	Total	Percent Change
Assets					
Current and other assets	$ 11,414,195	$ 15,844,659	$ 27,258,854	$ 24,059,019	13.30%
Capital assets - net	18,833,466	33,783,308	52,616,774	52,461,742	0.30%
Total assets	30,247,661	49,627,967	79,875,628	76,520,761	4.38%
Deferred outflows of resources					
Deferred loss on bond refunding	9,665	-	9,665	16,201	-40.34%
Pension plan	410,076	-	410,076	457,666	-10.40%
Total deferred outflows of resources	419,741	-	419,741	473,867	-11.42%
Total assets and deferred outflows of resources	30,667,402	49,627,967	80,295,369	76,994,628	4.29%
Liabilities					
Current and other liabilities	447,304	179,304	626,608	727,272	-13.84%
Long-term liabilities	1,775,252	6,313,822	8,089,074	8,501,671	-4.85%
Total Liabilities	2,222,556	6,493,126	8,715,682	9,228,943	-5.56%
Deferred inflows of resources					
Pension plan	207,934	-	207,934	88,983	133.68%
Unearned revenue - property taxes	2,765,943	-	2,765,943	2,570,183	7.62%
Total deferred inflows of resources	2,973,877	-	2,973,877	2,659,166	11.83%
Total liabilities and deferred inflows of resources	5,196,433	6,493,126	11,689,559	11,888,109	-1.67%
Net position					
Net investment in capital assets	17,231,524	27,469,486	44,701,010	44,226,268	1.07%
Restricted	1,578,702	10,025,712	11,604,414	11,445,801	1.39%
Unrestricted	6,660,743	5,639,643	12,300,386	9,434,450	30.38%
Total net position	$ 25,470,969	$43,134,841	$ 68,605,810	$ 65,106,519	5.37%

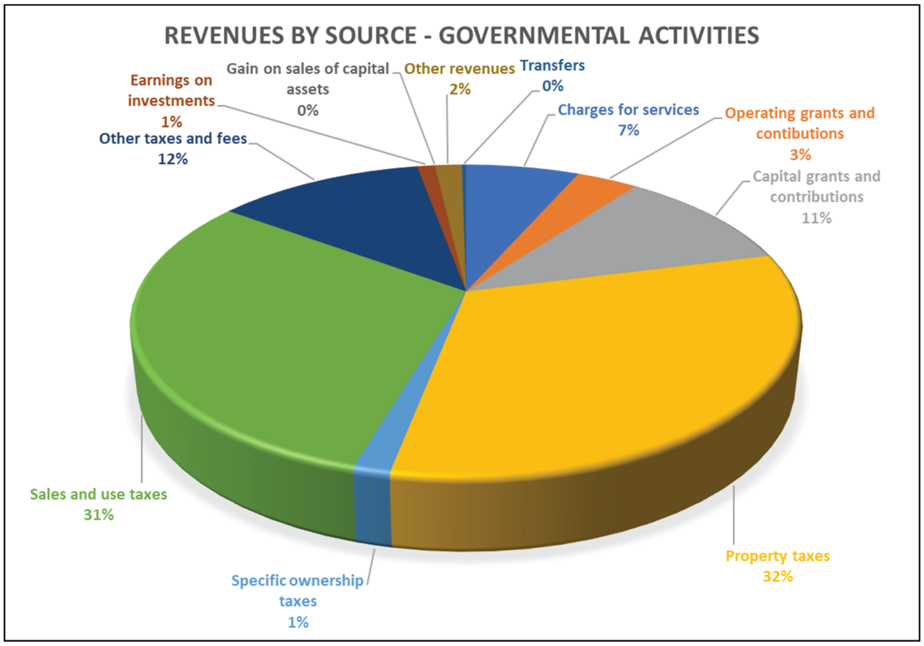
Town of Milliken
Management's Discussion and Analysis
Year Ended December 31, 2020

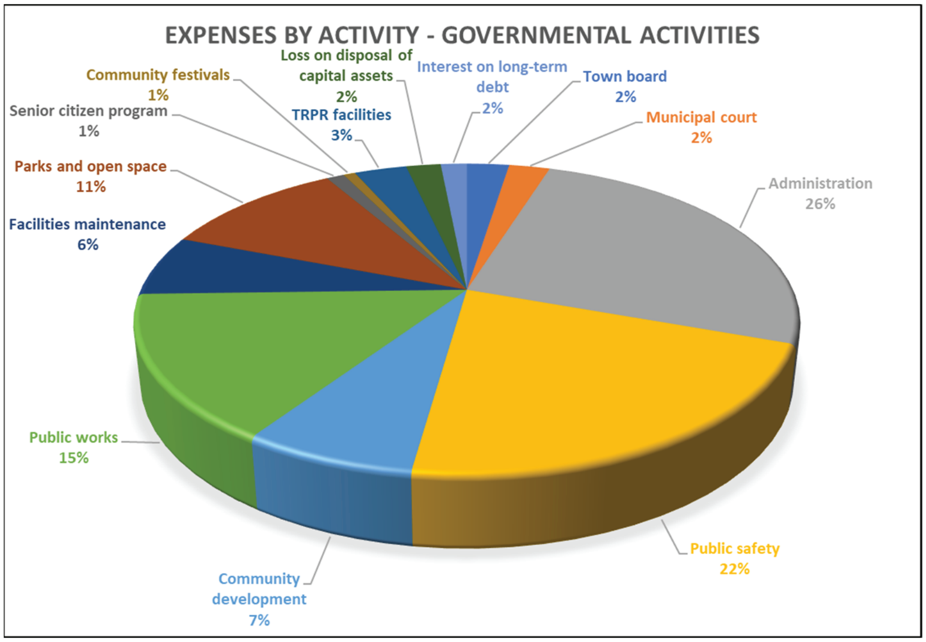
Condensed Statement of Activities
Years Ended December 31, 2020 and 2019

	2020			2019	
	Governmental Activities	Business-Type Activities	Total	Total	Percent Change
Revenues					
Program revenues					
Charges for services	$ 526,341	$ 4,650,139	$ 5,176,480	$ 4,463,724	15.97%
Operating grants and contributions	284,845	-	284,845	411,912	-30.85%
Capital grants and contributions	872,266	1,750,220	2,622,486	5,063,293	-48.21%
General revenues					
Property taxes	2,568,991	-	2,568,991	2,225,211	15.45%
Specific ownership taxes	121,996	-	121,996	152,541	-20.02%
Sales and use taxes	2,450,176	-	2,450,176	2,312,597	5.95%
Other taxes and fees	965,435	-	965,435	1,086,048	-11.11%
Earnings on investments	81,674	15,537	97,211	342,801	-71.64%
Gain on sales of capital assets	-	-	-	85,542	-100.00%
Other revenues	125,512	85,740	211,252	334,836	-36.91%
Transfers	20,000	(20,000)	-	-	0.00%
Total Revenues	8,017,236	6,481,636	14,498,872	16,478,505	-12.01%
Expenses					
Town board	161,662	-	161,662	82,771	95.31%
Municipal court	156,420	-	156,420	157,253	-0.53%
Administration	1,683,385	-	1,683,385	1,482,264	13.57%
Public safety	1,423,921	-	1,423,921	1,345,545	5.82%
Community development	470,864	-	470,864	440,332	6.93%
Public works	994,134	-	994,134	672,199	47.89%
Facilities maintenance	413,934	-	413,934	315,008	31.40%
Parks and open space	707,720	-	707,720	577,223	22.61%
Senior citizen program	68,721	-	68,721	52,420	31.10%
Community festivals	44,584	-	44,584	42,724	4.35%
TRPR facilities	200,715	-	200,715	200,000	0.36%
Loss on disposal of capital assets	132,582	-	132,582	-	100.00%
Interest on long-term debt	100,202	-	100,202	42,585	135.30%
Water	-	2,696,291	2,696,291	2,414,896	11.65%
Sewer	-	1,114,752	1,114,752	1,105,857	0.80%
Trash	-	547,059	547,059	507,677	7.76%
Stormwater	-	82,635	82,635	-	0.00%
Total expenses	6,558,844	4,440,737	10,999,581	9,438,754	16.54%
Change in net position	1,458,392	2,040,899	3,499,291	7,039,751	-50.29%
Net position, beginning of year	24,012,577	41,093,942	65,106,519	58,066,767	12.12%
Net position, end of year	$ 25,470,969	$ 43,134,841	$ 68,605,810	$ 65,106,518	5.37%

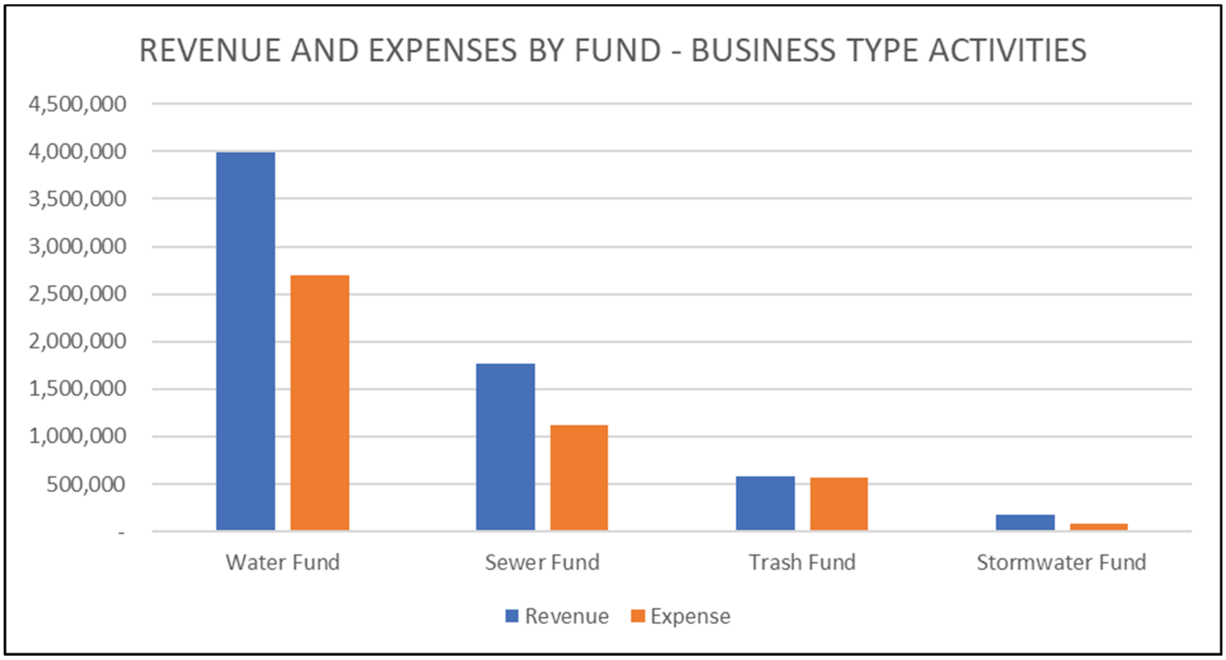
FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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 2020 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 (32%) and Sales and Use Taxes (31%) to the Town's financial outlook. They also help demonstrate how the Town allocates these resources in providing a balanced menu of services to its citizens while carrying a relatively small amount of debt.





Business-Type Activities. The Net Position in the Town's Business-Type Activities increased by $2,040,899 in 2020. 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 and other financial sources of $6,576,561, which was $1,091,460 more than the Town's amended Budget. The primary sources of revenues were property taxes ($2,348,059), sales and use taxes ($1,949,868) and building permits ($378,215). 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 $171,049. The amount in the ending fund balance for 2020, $3,088,706, is well in excess of the minimum target reserve of approximately $1,349,522 (20% of annual expenditures).

Capital Assets

At the end of the year, the Town's capital assets held, less accumulated depreciation, amounted to $52,616,774. Assets consist of land, infrastructure, utility distribution systems, property and equipment. The Town continues to invest in capital assets and increased capital assets in 2020, approximately $2.2 million. Primary capital projects of the Town in 2020 include street improvements, and equipment purchases. Refer to Note 7 in the Notes to Financial Statements for more information.

Long-Term Liabilities

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 and 2020, the Town entered into multiple capital leases for the purchase of both large equipment and vehicles.

At the end of 2020, long-term debt balances in governmental activities was $1,775,252, an increase of $226,493 from 2019. Long-term debt balances in business-type activities decreased $533,899 over 2019 ending the year with $6,313,822.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
Assets				
Equity in pooled cash and cash equivalents	$ 7,478,760	$ 14,550,714	$ 22,029,474	$ -
Cash and cash equivalents	-	-	-	24,753
Receivables	3,603,934	1,168,844	4,772,778	326,861
Prepaid items	3,661	51,433	55,094	-
Restricted pooled cash and cash equivalents	165,819	73,668	239,487	-
Capital assets, not being depreciated	1,977,569	16,105,776	18,083,345	-
Capital assets, being depreciated, net	16,855,897	17,677,532	34,533,429	-
Notes receivable	-	-	-	1,526,235
Net pension asset	162,021	-	162,021	-
Total assets	30,247,661	49,627,967	79,875,628	1,877,849
Deferred outflows of resources				
Deferred loss on bond refunding	9,665	-	9,665	-
Pension plan	410,076	-	410,076	-
Total deferred outflows of resources	419,741	-	419,741	-
Liabilities				
Accounts payable	95,640	121,542	217,182	-
Payroll liabilities payable	162,879	10,396	173,275	-
Accrued interest payable	31,950	20,396	52,346	-
Deposits payable	156,835	26,970	183,805	-
Noncurrent liabilities:				
Accrued compensated absences	163,645	-	163,645	-
Due within one year	215,513	544,307	759,820	-
Due in more than one year	1,396,094	5,769,515	7,165,609	-
Total liabilities	2,222,556	6,493,126	8,715,682	-
Deferred inflows of resources				
Pension plan	207,934	-	207,934	-
Unearned revenue - property taxes	2,765,943	-	2,765,943	-
Total deferred inflows of resources	2,973,877	-	2,973,877	-
Net position				
Net investment in capital assets	17,231,524	27,469,486	44,701,010	-
Restricted for:				
Emergencies	238,735	-	238,735	-
Net pension asset	162,021	-	162,021	-
Debt service	1,163,503	-	1,163,503	-
Parks and recreation	14,443	-	14,443	-
Capital improvements	-	9,669,407	9,669,407	-
Water rights acquisition	-	356,305	356,305	-
Unrestricted	6,660,743	5,639,643	12,300,386	1,877,849
Total net position	$ 25,470,969	$ 43,134,841	$ 68,605,810	$ 1,877,849

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

Town of Milliken, Colorado
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
Town board	$ 161,662	$ 38,165	$ -	$ -
Municipal court	156,420	69,527	-	-
Administration	1,683,385	418,649	12,884	-
Public safety	1,423,921	-	-	-
Community development	470,864	-	-	-
Public works	994,134	-	220,954	872,266
Facilities maintenance	413,934	-	-	-
Parks and open space	707,720	-	39,388	-
Senior citizen program	68,721	-	-	-
Community festivals	44,584	-	11,619	-
TRPR facilities	200,715	-	-	-
Loss on disposal of capital assets	132,582	-	-	-
Interest on long-term debt	100,202	-	-	-
Total governmental activities	6,558,844	526,341	284,845	872,266
Business-type activities:				
Water	2,696,291	2,597,696	-	1,324,570
Sewer	1,114,752	1,301,937	-	425,650
Trash	547,059	578,270	-	-
Stormwater	82,635	172,236	-	-
Total business-type activities	4,440,737	4,650,139	-	1,750,220
Total primary government	$ 10,999,581	$ 5,176,480	$ 284,845	$ 2,622,486
Component unit:				
Milliken Housing Authority	$ 7,768	$ -	$ -	$ -

General revenues:

Taxes:

Property taxes

Specific ownership taxes

Sales and use taxes

Other taxes and fees

Earnings on investments

Other revenues

Subtotal general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
$ (123,497)	$ -	$ (123,497)	$ -
(86,893)	-	(86,893)	-
(1,251,852)	-	(1,251,852)	-
(1,423,921)	-	(1,423,921)	-
(470,864)	-	(470,864)	-
99,086	-	99,086	-
(413,934)	-	(413,934)	-
(668,332)	-	(668,332)	-
(68,721)	-	(68,721)	-
(32,965)	-	(32,965)	-
(200,715)	-	(200,715)	-
(132,582)	-	(132,582)	-
(100,202)	-	(100,202)	-
(4,875,392)	-	(4,875,392)	-
-	1,225,975	1,225,975	-
-	612,835	612,835	-
-	31,211	31,211	-
-	89,601	89,601	-
-	1,959,622	1,959,622	-
(4,875,392)	1,959,622	(2,915,770)	-
-	-	-	(7,768)
2,568,991	-	2,568,991	-
121,996	-	121,996	-
2,450,176	-	2,450,176	-
965,435	-	965,435	-
81,674	15,537	97,211	11,754
125,512	85,740	211,252	30,000
6,313,784	101,277	6,415,061	41,754
20,000	(20,000)	-	-
6,333,784	81,277	6,415,061	41,754
1,458,392	2,040,899	3,499,291	33,986
24,012,577	41,093,942	65,106,519	1,843,863
$ 25,470,969	$ 43,134,841	$ 68,605,810	$ 1,877,849

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

Town of Milliken, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	$ 2,983,667	$ 997,684	$ 1,940,325	$ 1,557,084	$ 7,478,760
Restricted pooled cash and cash equivalents	-	165,819	-	-	165,819
Receivables	2,795,214	222,441	213,500	372,779	3,603,934
Prepaid items	3,661	-	-	-	3,661
Due from other funds	249,397	-	-	-	249,397
Total assets	$ 6,031,939	$ 1,385,944	$ 2,153,825	$ 1,929,863	$ 11,501,571
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	$ 80,017	$ -	$ 15,127	$ 496	$ 95,640
Payroll liabilities payable	162,879	-	-	-	162,879
Deposits	156,835	-	-	-	156,835
Due to other funds	-	-	-	249,397	249,397
Total liabilities	399,731	-	15,127	249,893	664,751
Deferred inflows of resources					
Deferred revenue - property taxes	2,543,502	222,441	-	-	2,765,943
Total deferred inflows of resources	2,543,502	222,441	-	-	2,765,943
Fund balances					
Nonspendable	3,661	-	-	-	3,661
Restricted	238,735	1,163,503	-	14,443	1,416,681
Committed	-	-	2,138,698	-	2,138,698
Assigned	-	-	-	1,665,527	1,665,527
Unassigned	2,846,310	-	-	-	2,846,310
Total fund balances	3,088,706	1,163,503	2,138,698	1,679,970	8,070,877
Total liabilities, deferred inflows of resources and fund balances	$ 6,031,939	$ 1,385,944	$ 2,153,825	$ 1,929,863	$ 11,501,571

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, 2020

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

Fund balances of governmental funds		$ 8,070,877
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	$ 28,743,177	
Less: accumulated depreciation	(9,909,711)	18,833,466
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	$ (1,583,869)	
Premium on refunding bonds	(27,738)	
Deferred loss on bond refunding	9,665	
Accrued compensated absences	(163,645)	
Accrued interest payable	(31,950)	(1,797,537)
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	$ 162,021	
Deferred outflows of resources related to pensions	410,076	
Deferred inflows of resources related to pensions	(207,934)	364,163
Total net position of governmental activities		$ 25,470,969

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, 2020

	General	Debt Service	Impact Fees	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes and fees	$ 4,874,524	$ 220,933	$ 442,349	$ 568,792	$ 6,106,598
Licenses and permits	418,649	-	-	-	418,649
Charges for services	38,165	-	-	-	38,165
Fines and forfeitures	69,527	-	-	-	69,527
Intergovernmental	303,209	-	250,000	260,342	813,551
Earnings on investments	80,098	1,213	306	57	81,674
Miscellaneous	125,512	-	-	-	125,512
Grants and contributions	11,619	-	-	331,941	343,560
Total revenues	5,921,303	222,146	692,655	1,161,132	7,997,236
Expenditures					
Current:					
Town board	161,088	-	-	-	161,088
Municipal court	155,864	-	-	-	155,864
Administration	1,066,109	400	-	-	1,066,509
Public safety	1,362,008	-	-	-	1,362,008
Community development	469,191	-	-	-	469,191
Public works	547,051	-	-	175,139	722,190
Facilities maintenance	412,463	-	-	-	412,463
Parks and open space	620,778	-	-	-	620,778
Senior citizen program	68,477	-	-	-	68,477
Community festivals	44,426	-	-	-	44,426
TRPR facilities	200,000	-	-	-	200,000
Debt service:					
Principal	101,305	135,000	-	-	236,305
Interest	41,026	37,450	-	-	78,476
Capital outlay	1,497,824	-	177,222	522,398	2,197,444
Total expenditures	6,747,610	172,850	177,222	697,537	7,795,219
Excess (deficiency) of revenues over expenditures	(826,307)	49,296	515,433	463,595	202,017
Other financing sources (uses)					
Transfers in	190,000	-	-	92,500	282,500
Transfers out	-	-	-	(262,500)	(262,500)
Proceeds from sale of capital assets	13,938	-	-	-	13,938
Capital lease proceeds	451,320	-	-	-	451,320
Total other financing sources (uses)	655,258	-	-	(170,000)	485,258
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(171,049)	49,296	515,433	293,595	687,275
Fund balances at beginning of year	3,259,755	1,114,207	1,623,265	1,386,375	7,383,602
Fund balances at end of year	$ 3,088,706	$ 1,163,503	$ 2,138,698	$ 1,679,970	$ 8,070,877

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

Town of Milliken, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities
Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - governmental funds		$ 687,275
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	$ 2,149,542	
Depreciation expense	(1,007,440)	1,142,102
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.		(146,520)
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.		236,305
Capital lease proceeds are booked as an other financing source in the governmental funds but is a liability in the statement of net position.		(451,320)
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	$ (22,552)	
Amortization of bond premium	7,362	
Amortization of the deferred loss on refunding	(6,536)	(21,726)
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.		31,116
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.		(18,840)
Change in net position of governmental activities		$ 1,458,392

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

Town of Milliken, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

	Water	Sewer	Trash	Stormwater	Total
Assets					
Current assets					
Equity in pooled cash and cash equivalents	$ 8,151,471	$ 5,806,861	$ 61,426	$ 530,956	$ 14,550,714
Receivables	751,527	341,178	58,663	17,476	1,168,844
Prepaid items	51,433	-	-	-	51,433
Total current assets	8,954,431	6,148,039	120,089	548,432	15,770,991
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	9,577,715	5,703,398	-	2,396,419	17,677,532
Total noncurrent assets	25,697,368	5,763,189	-	2,396,419	33,856,976
Total assets	34,651,799	11,911,228	120,089	2,944,851	49,627,967
Liabilities					
Current liabilities					
Accounts payable	63,505	12,142	45,895	-	121,542
Payroll liabilities payable	4,972	5,424	-	-	10,396
Accrued interest payable	14,906	5,490	-	-	20,396
Due to other funds	-	-	-	-	-
Current portion of notes and capital leases payable	205,446	338,861	-	-	544,307
Total current liabilities	288,829	361,917	45,895	-	696,641
Noncurrent liabilities					
Deposits payable	11,448	15,522	-	-	26,970
Notes and capital leases payable, net of current portion	4,654,553	1,114,962	-	-	5,769,515
Total noncurrent liabilities	4,666,001	1,130,484	-	-	5,796,485
Total liabilities	4,954,830	1,492,401	45,895	-	6,493,126
Net Position					
Net investment in capital assets	20,763,701	4,309,366	-	2,396,419	27,469,486
Restricted					
Capital improvements	6,024,356	3,645,051	-	-	9,669,407
Water rights acquisition	356,305	-	-	-	356,305
Unrestricted	2,552,607	2,464,410	74,194	548,432	5,639,643
Total net position	$ 29,696,969	$ 10,418,827	$ 74,194	$ 2,944,851	$ 43,134,841

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, 2020

	Water	Sewer	Trash	Stormwater	Total
Operating revenues					
Charges for services	$ 2,597,696	$ 1,301,937	$ 578,270	$ 172,236	$ 4,650,139
Miscellaneous revenues	54,435	28,885	2,420	-	85,740
Total operating revenues	2,652,131	1,330,822	580,690	172,236	4,735,879
Operating expenses					
Operations and maintenance	2,078,342	698,828	547,059	-	3,324,229
Depreciation	437,417	363,258	-	82,635	883,310
Total operating expenses	2,515,759	1,062,086	547,059	82,635	4,207,539
Operating income	136,372	268,736	33,631	89,601	528,340
Nonoperating revenues (expenses)					
Earnings on investments	10,190	5,265	11	71	15,537
Federal and state grants	66,293	-	-	-	66,293
Interest expense	(180,532)	(52,666)	-	-	(233,198)
Total nonoperating revenues (expenses)	(104,049)	(47,401)	11	71	(151,368)
Income before contributions and transfers	32,323	221,335	33,642	89,672	376,972
Capital contributions	1,258,277	425,650	-	-	1,683,927
Transfers out	-	-	(20,000)	-	(20,000)
Change in net position	1,290,600	646,985	13,642	89,672	2,040,899
Net position at beginning of year	28,406,369	9,771,842	60,552	2,855,179	41,093,942
Net position at end of year	$ 29,696,969	$ 10,418,827	$ 74,194	$ 2,944,851	$ 43,134,841

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, 2020

	Water	Sewer	Trash	Stormwater	Total
Cash flows from operating activities					
Cash received from customers	$ 2,418,269	$ 1,256,681	$ 577,470	$ 171,779	$ 4,424,199
Cash payments to suppliers	(1,877,987)	(348,329)	(543,477)	-	(2,769,793)
Cash payments to employees	(204,248)	(354,132)	-	-	(558,380)
Net cash flows from operating activities	336,034	554,220	33,993	171,779	1,096,026
Cash flows from non-capital financing activities					
Transfers out	-	-	(20,000)	-	(20,000)
Change in interfund payable	-	-	-	(1,950,940)	(1,950,940)
Net cash flows from non-capital financing activities	-	-	(20,000)	(1,950,940)	(1,970,940)
Cash flows from capital and related financing activities					
Capital contributions	1,258,277	425,650	-	-	1,683,927
Grant revenues	66,293	-	-	2,310,046	2,376,339
Acquisition of plant and equipment	(42,761)	-	-	-	(42,761)
Principal paid on long-term debt	(200,181)	(333,396)	-	-	(533,577)
Interest paid on long-term debt	(180,519)	(71,559)	-	-	(252,078)
Net cash flows from capital and related financing activities	901,109	20,695	-	2,310,046	3,231,850
Cash flows from investing activities					
Interest received	10,190	5,265	11	71	15,537
Net change in cash and cash equivalents	1,247,333	580,180	14,004	530,956	2,372,473
Cash and cash equivalents at beginning of year	6,977,806	5,226,681	47,422	-	12,251,909
Cash and cash equivalents at end of year	$ 8,225,139	$ 5,806,861	$ 61,426	$ 530,956	$ 14,624,382
Reconciliation of operating income to net cash flows from operating activities:					
Operating income	$ 136,372	$ 268,736	$ 33,631	$ 89,601	$ 528,340
Adjustments to reconcile operating income to cash flows from operating activities					
Depreciation	437,417	363,258	-	82,635	883,310
(Increase) decrease in:					
Receivables	(216,310)	(74,111)	(3,220)	(457)	(294,098)
Prepaid items	(12,335)	-	-	-	(12,335)
Increase (decrease) in:					
Accounts payable	5,152	(7,378)	3,582	-	1,356
Payroll liabilities payable	3,290	3,745	-	-	7,035
Deposits payable	(17,552)	(30)	-	-	(17,582)
Net cash flows from operating activities	$ 336,034	$ 554,220	$ 33,993	$ 171,779	$ 1,096,026
Noncash capital and related financing activities					
Amortization of bond premium	$ 322	$ -	$ -	$ -	$ 322

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

1. Summary of Significant Accounting Policies

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

Definition of the Reporting Entity

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

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

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

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

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

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

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a specific function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

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

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

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

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

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, 2020.

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.

Accrued Compensated Absences Payable

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance and Net Position

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

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

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

> ***Nonspendable*** — amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
>
> ***Restricted*** — amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Town Board of Trustees. The Town Board of Trustees is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board of Trustees.

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

Unassigned — all other spendable amounts.

When an expenditure/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, 2020, fund balances are composed of the following:

	General Fund	Debt Service Fund	Impact Fees Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	$ 3,661	$ -	$ -	$ -	$ 3,661
Restricted:					
Emergency reserve	238,735	-	-	-	238,735
Debt service	-	1,163,503	-	-	1,163,503
Parks and recreation	-	-	-	14,443	14,443
Committed:					
Capital projects	-	-	2,138,698	-	2,138,698
Assigned:					
Capital projects	-	-	-	1,204,774	1,204,774
Street projects	-	-	-	460,753	460,753
Unassigned	2,846,310	-	-	-	2,846,310
Total	$ 3,088,706	$ 1,163,503	$ 2,138,698	$ 1,679,970	$ 8,070,877

Deferred Outflows and Inflows of Resources

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

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

Pensions

The Town participates in the Non-Civil Employees' Pension Plan, a defined contribution plan. In addition, the Town participates in the Statewide Defined Benefit Plan ("SWDB"), a cost-sharing, multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). Certain members are also in the Statewide Hybrid Plan. The Statewide Hybrid Plan ("SWH") is a cost-sharing multiple-employer defined benefit pension plan. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan is administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Interfund Transactions

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

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

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

2. Reconciliation of Government-Wide and Fund Financial Statements

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

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

3. Cash and Cash Equivalents

The composition of the Town's cash and cash equivalents, including restricted cash, on December 31, 2020, is as follows:

Cash on hand	$	750
Cash in financial institutions		5,231,254
Cash held by county treasurer		58,422
Local government investment pool		17,003,288
Total	$	22,293,714

Cash and cash equivalents per Statement of Net Position:

Government-wide Statement of Net Position		
Equity in pooled cash and cash equivalents	$	22,029,474
Cash and cash equivalents - component unit		24,753
Restricted pooled cash and cash equivalents		239,487
Total	$	22,293,714

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, 2020, all the Town's deposits are either insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by the PDPA program, and are therefore, not deemed to be exposed to custodial credit risk.

Local Government Investment Pool

At December 31, 2020, the Town had invested $17,003,288 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, 2020, 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, 2020.

4. Receivables

Receivables at December 31, 2020, consist of the following:

	Governmental Activities	Business-Type Activities	Total	Discretely Presented Component Unit
Taxes	$ 2,543,502	$ -	$ 2,543,502	$ -
Utilities	3,181	333,193	336,374	-
Deferred fees	213,500	775,038	988,538	-
Intergovernmental	303,856	-	303,856	-
Other	539,895	60,613	600,508	326,861
Total	$ 3,603,934	$ 1,168,844	$ 4,772,778	$ 326,861

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, 2020. The other note carries an interest rate of 5.0% and a balance of $39,043 at December 31, 2020. All of the notes mature in December 2046, when all the principal and accrued interest will be due. As of December 31, 2020, 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, 2020:

	Transfers Out		
	Nonmajor Governmental Funds	Trash Fund	Total Transfers In
Transfers in:			
Governmental funds:			
General Fund	$ 170,000	$ 20,000	$ 190,000
Nonmajor Governmental Funds	92,500	-	92,500
Total transfers out	$ 262,500	$ 20,000	$ 282,500

The Town reports an interfund receivable in the General Fund and an interfund payable in the Grants Fund in the amount of $249,397 as of December 31, 2020. This amount represents short-term receivables and payables and results from the need to cover the temporary negative cash positions in individual funds.

7. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2020, follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 1,490,251	$ -	$ -	$ -	$ 1,490,251
Construction in progress	1,424,947	1,605,044	(2,534,923)	(7,750)	487,318
Total capital assets, not being depreciated	2,915,198	1,605,044	(2,534,923)	(7,750)	1,977,569
Capital assets, being depreciated:					
Buildings and other improvements	5,090,170	8,744	-	(159,917)	4,938,997
Infrastructure	16,515,926	15,126	2,211,123	-	18,742,175
Vehicles, machinery and equipment	2,366,572	520,628	323,800	(126,564)	3,084,436
Total capital assets, being depreciated	23,972,668	544,498	2,534,923	(286,481)	26,765,608
Less accumulated depreciation:					
Buildings and other improvements	(1,358,662)	(111,691)	-	23,346	(1,447,007)
Infrastructure	(6,104,105)	(690,374)	-	-	(6,794,479)
Vehicles, machinery and equipment	(1,587,215)	(205,375)	-	124,365	(1,668,225)
Total accumulated depreciation:	(9,049,982)	(1,007,440)	-	147,711	(9,909,711)
Capital assets, being depreciated, net	14,922,686	(462,942)	2,534,923	(138,770)	16,855,897
Total governmental activities capital assets, net	$ 17,837,884	$ 1,142,102	$ -	$ (146,520)	$ 18,833,466

	Beginning Balance	Additions	Transfers	Deletions	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
Total capital assets, not being depreciated	16,105,776	-	-	-	16,105,776
Capital assets, being depreciated:					
Collection and distribution system	24,672,065	-	-	-	24,672,065
Buildings and other improvements	4,166,849	-	-	-	4,166,849
Vehicles, machinery and equipment	830,955	42,760	-	(139,713)	734,002
Total capital assets, being depreciated:	29,669,869	42,760	-	(139,713)	29,572,916
Less accumulated depreciation:					
Collection and distribution system	(10,392,198)	(747,612)	-	-	(11,139,810)
Buildings and other improvements	(120,141)	(83,832)	-	-	(203,973)
Vehicles, machinery and equipment	(639,448)	(51,866)	-	139,713	(551,601)
Total accumulated depreciation:	(11,151,787)	(883,310)	-	139,713	(11,895,384)
Capital assets, being depreciated, net	18,518,082	(840,550)	-	-	17,677,532
Total business-type activities capital assets, net	$ 34,623,858	$ (840,550)	$ -	$ -	$ 33,783,308

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

Governmental activities:	
Administration	$ 585,246
Public safety	84,170
Public works	257,142
Parks and open space	80,882
Total	$ 1,007,440
Business-type activities:	
Water fund	$ 437,417
Sewer fund	363,258
Stormwater	82,635
Total	$ 883,310

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.

In February and March of 2020, the Town entered into capital leases for heavy equipment. Annual payments are required until March of 2023, including interest at 7.45%, with a final purchase option due at maturity. The equipment secures 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.

A summary of changes in long-term debt for the year ended December 31, 2020, follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
General obligation refunding bonds	$ 1,195,000	$ -	$ 135,000	$ 1,060,000	$ 140,000
Premium on refunding bonds	35,100	-	7,362	27,738	-
Capital leases	173,854	451,320	101,305	523,869	75,513
Compensated absences	144,805	115,731	96,891	163,645	-
	$ 1,548,759	$ 567,051	$ 340,558	$ 1,775,252	$ 215,513
Business-type activities					
Notes payable:					
CWRPDA	1,787,219	-	333,396	1,453,823	338,861
Capital leases	16,243	-	5,181	11,062	5,446
Bonds payable:					
Water revenue refunding & improvement bonds	4,825,000	-	195,000	4,630,000	200,000
Premium on refunding & improvement bonds	219,259	-	322	218,937	-
	$ 6,847,721	$ -	$ 533,899	$ 6,313,822	$ 544,307

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

	Governmental Activities		Business-type Activities	
Year	Principal	Interest	Principal	Interest
2021	$ 140,000	$ 33,400	$ 538,861	$ 254,844
2022	150,000	29,200	549,327	239,015
2023	145,000	24,700	586,654	341,818
2024	150,000	20,350	623,981	176,193
2025	155,000	15,850	230,000	147,850
2026-2030	320,000	17,600	1,285,000	594,650
2031-2035	-	-	1,560,000	316,850
2036-2037	-	-	710,000	37,450
	$ 1,060,000	$ 141,100	$ 6,083,823	$ 2,108,670

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, 2020:

Year	Governmental Activities	Business-type Activities
2021	$ 112,519	$ 5,616
2022	112,519	5,616
2023	394,169	-
Total future minimum payments	619,207	11,232
Less: discount for interest	(95,338)	(170)
	$ 523,869	$ 11,062

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 lntergovernmental 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 Plans

The following table presents combined information relating to the Town's defined benefit pension plans as of and for the year ended December 31, 2020:

	Statewide Defined Benefit Plan	Statewide Hybrid Plan	Total
Deferred outflows of resources:			
Difference between expected and actual experience	$ 178,616	$ 51,828	$ 230,444
Changes of assumptions or other inputs	100,217	9,260	109,477
Contributions subsequent to the measurement date	60,856	9,299	70,155
Total deferred outflows of resources related to pensions	$ 339,689	$ 70,387	$ 410,076
Deferred inflows of resources:			
Difference between expected and actual experience	$ 1,033	$ -	$ 1,033
Net difference between projected and actual earnings on pension plan investments	82,971	13,405	96,376
Changes in proportion and differences between contributions recognized and proportionate share of contributions	95,155	15,370	110,525
Total deferred outflows of resources related to pensions	$ 179,159	$ 28,775	$ 207,934
Net pension liability (asset) as of December 31, 2020	$ (52,779)	$ (109,242)	$ (162,021)
Net pension expense (income) for the year ended December 31, 2020	$ 29,901	$ 9,138	$ 39,039

Plan Description.

Statewide Defined Benefit Plan

The Town contributes to the Statewide Defined Benefit Plan ("SWDBP"), a cost-sharing multiple-employer defined benefit pension plan administered by FPPA for fire or police departments hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SWDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDBP became effective January 1, 1980. All full-time, paid police of the Town are members of the SWDBP.

The SWDBP assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SWDBP is administered by FPPA.

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.

are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (DROP) assets are included in the Fire & Police Members' Self-Directed Investment Fund.

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

Benefits Provided

Statewide Defined Benefit Plan

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W").

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

Contributions

Statewide Defined Benefit Plan

Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

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 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the SWDB plan from the Town were $60,856 for the year ended December 31, 2020.

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 pensionable earnings. 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, 2019 through June 30, 2020 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 was 13.40 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 $9,299 for the year ended December 31, 2020.

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

At December 31, 2020, the Town reported net pension assets of $52,779 and $109,242 for the Statewide Defined Benefit Plan and the Statewide Hybrid Plan, respectively, for its proportionate shares of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The actuarially determined contributions as of December 31, 2019 are based upon the January 1, 2019 actuarial valuation. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities.

At December 31, 2019, the Town's proportion was 0.093 percent, which was an increase of 0.010 from its proportion measured as of December 31, 2018 for the Statewide Defined Benefit Plan. At December 31, 2019, the Town's proportion was 0.561 percent, which was an increase of 0.057 from its proportion measured as of December 31, 2018 for the Statewide Hybrid Plan.

For the year ended December 31, 2020, the Town recognized pension expense of $39,039. At December 31, 2020, 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	$	178,616	$	1,033
Changes of assumptions or other inputs		100,217		-
Net difference between projected and actual earnings on pension plan investments		-		82,971
Changes in proportion and differences between contributions recognized and proportionate share of contributions		-		95,155
Contributions subsequent to the measurement date		60,856		-
	$	339,689	$	179,159

Statewide Hybrid Plan				
		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	$	51,828	$	-
Changes of assumptions or other inputs		9,260		-
Net difference between projected and actual earnings on pension plan investments		-		13,405
Changes in proportion and differences between contributions recognized and proportionate share of contributions		-		15,370
Contributions subsequent to the measurement date		9,299		-
	$	70,387	$	28,775

The $60,856 and $9,299 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, 2021. 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
2021	$	4,387
2022		(17,993)
2023		27,730
2024		(10,804)
2025		23,235
Thereafter		73,119
	$	99,674

Statewide Hybrid Plan		
Year Ending December 31		Amount
2020	$	8,248
2021		7,039
2022		10,996
2023		4,148
2024		1,903
Thereafter		(21)
	$	32,313

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, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.0%
Projected salary increases	4.25 - 11.25 percent	4.0 – 11.25 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 and actuarially determined contributions for the Statewide Defined Benefit Plan, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
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 plan fiduciary net position was projected to be available to make all the projected future Fire & Police Pension Association of Colorado notes to the Schedule of Contributions and Schedule of Collective Pension Amounts Statewide Defined Benefit Plan December 31, 2019 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. Additionally, the SWH - Defined Benefit Component plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.75 percent (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 percent.

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

The following table presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

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)	$ 320,013	$ (52,779)	$ (361,961)

Statewide Hybrid Plan	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	$ (66,442)	$ (109,242)	$ (145,047)

***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, 2020, the Town and employee contributions were $48,838 and $32,492, 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 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, 2020, the Town has restricted $238,735 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 General Fund exceeded appropriations by $35,664, which may be in violation of the Colorado local government budget laws.

14. CARES Act and COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 Outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Management actively monitored the impacts of the COVID-19 outbreak with respect to the Town's financial condition, liquidity, and future results of operations. The Town has not experienced a decrease in available funds due to COVID-19 through the date of the report, but funding sources may depress in future periods if the outbreak results in long-term adverse impacts on economic and market conditions, triggering a period of national, regional, or statewide economic slowdown.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security ("CARES") Act." The CARES Act, among other things, includes provisions appropriating funds from programs of the United States Department of the Treasury and Department of Education to be used to make payments for specified uses to states and certain local governments.

As of December 31, 2020, the District was awarded and spent $176,891 in federal funding awards under the CARES Act. The District received $176,145 during the fiscal year and the remaining $746 was recorded as receivables at December 31, 2020.

15. Subsequent Events

Management of the Town has evaluated subsequent events through July 30, 2021, the date that the financial statements were available to be issued. No items were identified that require adjustments to or disclosures in the financial statements.

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, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes and fees	$ 4,361,491	$ 4,361,491	$ 4,874,524	$ 513,033
Licenses and permits	117,352	117,352	418,649	301,297
Charges for services	33,400	33,400	38,165	4,765
Fines and forfeitures	78,000	78,000	69,527	(8,473)
Intergovernmental	30,500	251,285	303,209	51,924
Earnings on investments	203,000	203,000	80,098	(122,902)
Miscellaneous	199,000	250,073	125,512	(124,561)
Grants and contributions	500	500	11,619	11,119
Total revenues	5,023,243	5,295,101	5,921,303	626,202
Expenditures				
Current:				
Town board	113,833	163,958	161,088	2,870
Municipal court	167,992	167,992	155,864	12,128
Administration	1,060,824	1,060,824	1,066,109	(5,285)
Public safety	1,515,552	1,515,552	1,362,008	153,544
Community development	498,672	498,672	469,191	29,481
Public works	697,798	697,798	547,051	150,747
Facilities maintenance	338,427	450,688	412,463	38,225
Parks and open space	771,561	791,561	620,778	170,783
Senior citizen program	62,326	62,326	68,477	(6,151)
Community festivals	56,400	56,400	44,426	11,974
TRPR facilities	203,610	203,610	200,000	3,610
Debt service:				
Principal	-	-	101,305	(101,305)
Interest	-	-	41,026	(41,026)
Capital outlay	-	1,042,565	1,497,824	(455,259)
Total expenditures	5,486,995	6,711,946	6,747,610	(35,664)
Deficiency of revenues over expenditures	(463,752)	(1,416,845)	(826,307)	590,538
Other financing sources				
Proceeds from sale of capital assets	-	-	13,938	13,938
Proceeds from capital lease	-	-	451,320	451,320
Transfers in	190,000	190,000	190,000	-
Total other financing sources	190,000	190,000	655,258	465,258
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	$ (273,752)	$ (1,226,845)	(171,049)	$ 1,055,796
Fund balance at beginning of year			3,259,755	
Fund balance at end of year			$ 3,088,706	

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, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Fees	$ 98,250	$ 442,349	$ 344,099
Intergovernmental	-	250,000	250,000
Earnings on investments	15,000	306	(14,694)
Total revenues	113,250	692,655	579,405
Expenditures			
Capital outlay	140,000	177,222	(37,222)
Total expenditures	140,000	177,222	(37,222)
Excess of revenues over expenditures	$ (26,750)	515,433	$ 542,183
Fund balance at beginning of year		1,623,265	
Fund balance at end of year		$ 2,138,698	

See accompanying Independent Auditor's Report.

Budgets and Budgetary Accounting

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

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

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

Budget amounts included in the financial statements are as originally adopted or as amended by the Board. The following is a summary of the original budget, total revisions and revised budget for the Town's funds for the year ended December 31, 2020:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General fund	$ 5,486,995	$ 1,224,951	$ 6,711,946
Capital projects fund	300,000	60,000	360,000
Special revenue funds:			
Impact fees fund	190,000	-	190,000
Conservation trust fund	32,500	-	32,500
Streets fund	413,800	-	413,800
Grants fund	90,000	457,094	547,094
Debt service fund	172,850	-	172,850
Business-type funds:			
Water fund	3,004,957	818,500	3,823,457
Sewer fund	1,842,691	-	1,842,691
Trash fund	470,000	115,000	585,000
Stormwater fund	-	-	-
Total funds	$ 12,003,793	$ 2,675,545	$ 14,679,338

Town of Milliken, Colorado
Schedule of the Employer Contributions

Statewide Defined Benefit Plan

	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 60,856	$ 55,024	$ 44,587	$ 41,162	$ 40,519	$ 43,875
Contributions in relation to the statutorily required contribution	$ 55,024	$ 55,024	$ 44,587	$ 41,162	$ 40,519	$ 43,875
Covered payroll	$ 666,318	$ 598,576	$ 445,870	$ 436,672	$ 506,488	$ 548,437
Contribution as a percentage of covered payroll	8.0%	9.0%	10.0%	9.0%	8.0%	8.0%

Statewide Hybrid Plan

	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 9,299	$ 8,952	$ 8,031	$ 7,122	$ 7,177	$ 6,835
Contributions in relation to the statutorily required contribution	$ 9,299	$ 8,952	$ 8,031	$ 7,122	$ 7,177	$ 6,835
Covered payroll	$ 77,489	$ 74,602	$ 66,925	$ 59,354	$ 60,518	$ 56,958
Contribution as a percentage of covered payroll	12%	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.

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

Statewide Defined Benefit Plan

	2020*	2019*	2018*	2017*	2016*	2015*
Town's proportionate share of the net pension liability/(asset)	0.093%	0.083%	0.088%	0.093%	0.104%	0.100%
Town's proportion of the net pension liability/(asset)	$ (52,779)	$ 105,190	$ (126,549)	$ 33,700	$ (1,842)	$ (112,857)
Town's covered payroll	$ 598,576	$ 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	8.8%	23.6%	29.0%	6.7%	0.3%	N/A
Plan fiduciary net position as a percentage of the total pension	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%

Statewide Hybrid Plan

	2020*	2019*	2018*	2017*	2016*	2015*
Town's proportionate share of the net pension liability/(asset)	0.561%	0.504%	0.466%	0.555%	0.519%	0.500%
Town's proportion of the net pension liability/(asset)	$ (109,242)	$ (69,555)	$ (91,074)	$ 60,411	$ 54,668	$ 57,325
Town's covered payroll	$ 74,602	$ 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	-146.0%	-104.0%	-153.0%	100.0%	96.0%	N/A
Plan fiduciary net position as a percentage of the total pension	130.1%	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-yea 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, 2020

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Assets					
Equity in pooled cash and cash equivalents	$ 1,098,324	$ 14,443	$ 444,317	$ -	$ 1,557,084
Receivables, net	51,991	-	16,932	303,856	372,779
Total assets	$ 1,150,315	$ 14,443	$ 461,249	$ 303,856	$ 1,929,863
Liabilities and fund balances					
Liabilities					
Accounts payable	$ -	$ -	$ 496	$ -	$ 496
Due to other funds	-	-	-	249,397	249,397
Total liabilities	-	-	496	249,397	249,893
Fund balances					
Restricted	-	14,443	-	-	14,443
Assigned	1,150,315	-	460,753	54,459	1,665,527
Total fund balances	1,150,315	14,443	460,753	54,459	1,679,970
Total liabilities and fund balances	$ 1,150,315	$ 14,443	$ 461,249	$ 303,856	$ 1,929,863

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, 2020

	Capital Projects	Conservation Trust	Streets	Grants	Total Nonmajor Governmental Funds
Revenues					
Taxes	$ 500,308	$ -	$ 68,484	$ -	$ 568,792
Intergovernmental	-	39,388	220,954	-	260,342
Earnings on investments	-	57	-	-	57
Grants and contributions	-	-	-	331,941	331,941
Total revenues	500,308	39,445	289,438	331,941	1,161,132
Expenditures					
Public works	-	-	175,139	-	175,139
Capital outlay	-	-	-	522,398	522,398
Total expenditures	-	-	175,139	522,398	697,537
Excess of revenues over expenditures	500,308	39,445	114,299	(190,457)	463,595
Other financing sources (uses)					
Transfers in	32,500	-	-	60,000	92,500
Transfers out	(60,000)	(32,500)	(170,000)	-	(262,500)
Total other financing sources (uses)	(27,500)	(32,500)	(170,000)	60,000	(170,000)
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	472,808	6,945	(55,701)	(130,457)	293,595
Fund balances at beginning of year	677,507	7,498	516,454	184,916	1,386,375
Fund balances at end of year	$ 1,150,315	$ 14,443	$ 460,753	$ 54,459	$ 1,679,970

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, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 221,389	$ 220,933	$ (456)
Earnings on investments	10,000	1,213	(8,787)
Total revenues	231,389	222,146	(9,243)
Expenditures			
Current:			
Administration	400	400	-
Debt service:			
Principal	135,000	135,000	-
Interest	37,450	37,450	-
Total expenditures	172,850	172,850	-
Excess of revenues over expenditures	$ 58,539	49,296	$ (9,243)
Fund balance at beginning of year		1,114,207	
Fund balance at end of year		$ 1,163,503	

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, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 251,120	$ 251,120	$ 500,308	$ 249,188
Total revenues	251,120	251,120	500,308	249,188
Expenditures				
Capital outlay	300,000	300,000	-	300,000
Total expenditures	300,000	300,000	-	300,000
Excess of revenues over expenditures	(48,880)	(48,880)	500,308	549,188
Other financing sources (uses)				
Transfers in	32,000	32,000	32,500	500
Transfers out	-	(60,000)	(60,000)	-
Total other financing sources (uses)	32,000	(28,000)	(27,500)	500
Excess of revenues over (under) expenditures and other financing sources (uses)	$ (16,880)	$ (76,880)	472,808	$ 549,688
Fund balance at beginning of year			677,507	
Fund balance at end of year			$ 1,150,315	

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, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 32,000	$ 32,000	$ 39,388	$ 7,388
Earnings on investments	500	500	57	(443)
Total revenues	32,500	32,500	39,445	6,945
Other financing uses				
Transfers out	(32,500)	(32,500)	(32,500)	-
Total other financing uses	(32,500)	(32,500)	(32,500)	-
Excess (deficiency) revenues over other financing (uses)	$ -	$ -	6,945	$ 6,945
Fund balance at beginning of year			7,498	
Fund balance at end of year			$ 14,443	

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, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 60,000	$ 68,484	$ 8,484
Intergovernmental	237,235	220,954	(16,281)
Total revenues	297,235	289,438	(7,797)
Expenditures			
Public works	243,800	175,139	68,661
Total expenditures	243,800	175,139	68,661
Excess (deficiency) of revenues over expenditures	53,435	114,299	60,864
Other financing uses			
Transfers out	(170,000)	(170,000)	-
Total other financing uses	(170,000)	(170,000)	-
Deficiency of revenues over expenditures and other financing uses	$ (116,565)	(55,701)	$ 60,864
Fund balance at beginning of year		516,454	
Fund balance at end of year		$ 460,753	

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Grants and contributions	$ 90,000	$ 437,675	$ 331,941	$ (105,734)
Total revenues	90,000	437,675	331,941	(105,734)
Expenditures				
Capital outlay	90,000	547,094	522,398	24,696
Total expenditures	90,000	547,094	522,398	24,696
Excess (deficiency) of revenues over expenditures	-	(109,419)	(190,457)	(81,038)
Other financing sources				
Transfers in	-	-	60,000	60,000
Total other financing sources	-	-	60,000	60,000
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (109,419)	(130,457)	$ (21,038)
Fund balance at beginning of year			184,916	
Fund balance at end of year			$ 54,459	

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 1,900,000	$ 1,900,000	$ 2,597,696	$ 697,696
Miscellaneous revenues	40,000	40,000	54,435	14,435
Total operating revenues	1,940,000	1,940,000	2,652,131	712,131
Operating expenses				
Operations and maintenance	2,050,907	2,400,907	2,078,342	322,565
Depreciation	280,000	280,000	437,417	(157,417)
Total operating expenses	2,330,907	2,680,907	2,515,759	165,148
Operating income	(390,907)	(740,907)	136,372	877,279
Other revenues (expenses)				
Capital contributions	318,275	318,275	1,258,277	940,002
Federal and state grants	-	-	66,293	66,293
Earnings on investments	7,000	7,000	10,190	3,190
Capital outlay	(300,000)	(300,000)	(42,761)	257,239
Principal paid on long-term debt	(195,000)	(195,000)	(200,181)	(5,181)
Interest expense	(179,050)	(179,050)	(180,519)	(1,469)
Total other revenues (expenses)	(348,775)	(348,775)	911,299	1,260,074
Change in net position - budgetary basis	$ (739,682)	$ (1,089,682)	1,047,671	$ 2,137,353
Net position at beginning of year - budgetary basis			7,463,086	
Depreciation			437,417	
Net position at end of year - budgetary basis			8,948,174	
Capital assets at beginning of year			26,018,356	
Accrued interest on debt at beginning of year			(14,571)	
Long-term debt at beginning of year			(5,060,502)	
Current year depreciation			(437,417)	
Current year difference in accrued interest			(335)	
Amortization of bond premium			322	
Current year principal paid on long-term debt			200,181	
Current year capital outlay			42,761	
Net position at end of year - GAAP basis			$ 29,696,969	

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, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 1,220,000	$ 1,301,937	$ 81,937
Miscellaneous revenues	31,500	28,885	(2,615)
Total operating revenues	1,251,500	1,330,822	79,322
Operating expenses			
Operations and maintenance	964,569	698,828	265,741
Capital outlay - operational	25,000	-	25,000
Depreciation	320,000	363,258	(43,258)
Total operating expenses	1,309,569	1,062,086	247,483
Operating income	(58,069)	268,736	326,805
Other revenues (expenses)			
Capital contributions	118,300	425,650	307,350
Earnings on investments	6,500	5,265	(1,235)
Capital outlay - infrastructure	(150,000)	-	150,000
Principal paid on long-term debt	(333,396)	(333,396)	-
Interest expense	(71,588)	(71,588)	-
Total other revenues (expenses)	(430,184)	25,931	456,115
Change in net position - budgetary basis	$ (488,253)	294,667	$ 782,920
Net position at beginning of year - budgetary basis		5,457,025	
Depreciation		363,258	
Net position at end of year - budgetary basis		6,114,950	
Capital assets at beginning of year		6,126,448	
Accrued interest on debt at beginning of year		(24,412)	
Long-term debt at beginning of year		(1,787,219)	
Current year difference in accrued interest		18,922	
Current year depreciation		(363,258)	
Current year principal paid on long-term debt		333,396	
Net position at end of year - GAAP basis		$ 10,418,827	

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 525,000	$ 570,000	$ 578,270	$ 8,270
Miscellaneous revenue	-	-	2,420	2,420
Total operating revenues	525,000	570,000	580,690	10,690
Operating expenses				
Operations and maintenance	450,000	565,000	547,059	17,941
Total operating expenses	450,000	565,000	547,059	17,941
Operating income	75,000	5,000	33,631	28,631
Other revenues (expenses)				
Earnings on investments	-	-	11	11
Total other revenues	-	-	11	11
Excess of revenues over expenses	75,000	5,000	33,642	28,642
Transfers				
Transfers out	(20,000)	(20,000)	(20,000)	-
Total transfers	(20,000)	(20,000)	(20,000)	-
Change in net position	$ 55,000	$ (15,000)	13,642	$ 28,642
Net position at beginning of year			60,552	
Net position at end of year			$ 74,194	

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Operating revenues				
Charges for services	$ 168,000	$ 168,000	$ 172,236	$ 4,236
Total operating revenues	168,000	168,000	172,236	4,236
Operating income	168,000	168,000	172,236	4,236
Other revenues				
Earnings on investments	-	-	71	71
Total other revenues	-	-	71	71
Change in net position	$ 168,000	$ 168,000	172,307	$ 4,307
Net position at beginning of year - budgetary basis			376,134	
Net position at end of year - budgetary basis			548,441	
Capital assets at beginning of year			2,479,045	
Current year depreciation			(82,635)	
Net position at end of year - GAAP Basis			$ 2,944,851	

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: **Courtney Diller** Phone: **(970) 660-5048**

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	159,053
3. Other local imposts (from page 2)	60,077
4. Miscellaneous local receipts (from page 2)	
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	219,130
B. Private Contributions	
C. Receipts from State government (from page 2)	288,608
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	507,738

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	536,996
2. Maintenance:	159,053
3. Road and street services:	
a. Traffic control operations	3,035
b. Snow and ice removal	19,446
c. Other	
d. Total (a. through c.)	22,480
4. General administration & miscellaneous	38,230
5. Highway law enforcement and safety	
6. Total (1 through 5)	756,759
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
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 & Penalities	
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)

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)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			536,996
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	536,996
			(Carry forward to page 1)

Notes and Comments:
(1) Other Taxes are Road and Bridge Taxes

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