FINANCIAL STATEMENTS

Year Ended December 31, 2014

ANDERSON & WHITNEY

TOWN OF MILLIKEN, COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2014

TABLE OF CONTENTS

Independent Auditors' Report 1

Management's Discussion and Analysis 3

FINANCIAL STATEMENTS:

STATEMENT OF NET POSITION 11

STATEMENT OF ACTIVITIES 12

BALANCE SHEET – GOVERNMENTAL FUNDS 14

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS 15

STATEMENT OF NET POSITION – ENTERPRISE FUNDS 17

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS 18

STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS 19

NOTES TO FINANCIAL STATEMENTS 20

REQUIRED SUPPLEMENTARY INFORMATION 33

ADDITIONAL INFORMATION 36

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milliken, Colorado as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and preform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

5801 West 11th Street • Suite 300
Greeley, Colorado 80634-4813

(970) 352-7990
www.awhitney.com

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Milliken as of December 31, 2014, and the respective changes in financial position and cash flows where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States.

Other Matters

Accounting principles generally accepted in the United States require that management discussion and analysis and the General Fund and Grants Fund budget comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, 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, 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 evidence sufficient to express an opinion or provide any assurance.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining statements, individual fund statements and schedules on pages 36-47 and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson + Whitney, P.C.

June 24, 2015

TOWN OF MILLIKEN
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2014. We also offer this narrative and analysis to help guide you 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 you to consider the information presented here in conjunction with the basic financial statements to enhance your understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS

The Town ended the year in strong financial position and is well-prepared to fund the operations and capital projects slated for 2015. The general operations of the Town are funded substantially through property and sales tax revenues, the former of which are supported significantly by the property taxes derived from over 220 oil and gas wells within Town limits. Fund revenues closed the year ahead of even our upwardly-revised projections, driven by continued growth in local construction activity and consumer spending. By the end of the year, the Town had actually issued 91 new residential home permits and multiple commercial construction permits, in addition to all of the remodeling, additions, solar installations, and various other minor construction projects undertaken by the community in 2014. This increased construction activity also fueled growth in the resources available for capital projects in the Impact Fees Fund and the Water and Sewer Funds, all of which will support future capital investments in the Town.

The Town was also the beneficiary of a substantial number of grants in 2014, including over $314,000 for the Hillsboro Skate Park (Great Outdoors Colorado), nearly $100,000 from Kaiser Permanente (Walk and Wheel Trail Projects) and almost $135,000 from the Department of Local Affairs for a Stormwater Master Plan Update.

Expenditures remained in check through the end of the year, providing additional surpluses for future funding opportunities, even as Town staff worked hard to complete a multitude of capital projects, grant-funded activities, and the last of the flood-recovery assignments. Consequently, the Board, and the citizens of Milliken can remain confident that the funds appropriated in the 2015 budget are secure and available to provide for the ambitious activities planned for the current year.

- The Town's assets exceeded liabilities and deferred inflows by $14,991,471 at December 31, 2014. Of this amount, $2,988,001 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. This represents an unrestricted increase of $715,272 over 2013.

- The General Fund Fund Balance was $2,184,598 as of December 31, 2014. Of this amount, $105,238 is legally restricted for emergencies and $102,000 is Assigned to future commitments and contingencies related to the installation of infrastructure and a funding Agreement with the Thompson Rivers Parks and Recreation Department for the Milliken Athletic Center. The remaining unassigned fund balance of $1,977,360 is $316,804 more than last year and represents 50.7% of General Fund operating expenditures, which exceeds the Board's 2014 target requirement of 50% by over $23,000.

- The Water Fund has net position of $19,376,737 at December 31, 2014, of which $1,111,165 is available for operating reserves. $3,790,599 is restricted for Capital Improvements, $392,527 for Water Rights Acquisition and $97,347 for Debt Service. The remainder is invested in Net Capital Assets.

- The Sewer Fund has net position of $6,015,207 at December 31, 2014, of which $873,418 is available for operating reserves. $2,065,753 is restricted for Capital Improvements. The remainder is invested in Net Capital Assets.

You will find in the Notes to Financial Statements section of this report a reference to a contingent liability in the Water Fund. Although the amount has not been quantified, the closure of the Town's Reverse Osmosis water treatment facility at the end of the year represents a significant event in 2014 which will have financial consequences in future years, as the Town works to implement a new strategy for its water treatment facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 description of each component. In addition to the basic statements, this report also contains other supplementary information.

Government-Wide Financial Statements. The ***Government-Wide Financial Statements*** are designed to provide you 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 which are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions of the Town that are intended to recover all, or a significant portion, of their costs through user fees and charges (Business-Type Activities). The Governmental Activities of the Town include General Government, Public Safety (Police), Public Works, Parks and Open Space, Community Development and Events. The Business-Type Activities include Water, Sewer, and Trash.

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

The ***Statement of Activities*** presents information showing how the government's Net Position changed during the fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal 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/or bond covenants, however, the Town Board of Trustees also establishes other funds to help control and manage money for particular purposes. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with these finance-related legal requirements. All of the funds of the Town 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 *near-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 near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *Governmental Activities* in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the 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 maintains eight 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. "Major Funds" are determined based on a variety of factors, not all of which are financial in nature, with an emphasis on presenting the most representative picture of governmental activities as possible. Those funds determined to be "Non-Major" are combined and reported as Other Governmental Funds into a single, aggregated presentation. Individual fund data for each of these Non-Major Funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. The Town maintains one type of a proprietary fund – an *Enterprise Fund* – to account for its Water, Sewer and Trash 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 the 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 in all levels of this report.

Budgetary Comparisons. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on page 34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve as a useful indicator of a government's financial position over time. As of December 31, 2014, the Town's assets exceeded liabilities and deferred inflows of resources by $40,398,312, compared to $37,004,784 in 2013, an increase of over 9%.

The following table provides a summary of the Town's Net Position for both years:

	2014		2013	
December 31	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Assets				
Current and Other Assets	$ 6,703,284	$ 8,766,854	$ 5,561,965	$ 6,909,244
Capital Assets	13,780,240	20,834,456	13,070,115	21,329,497
Total Assets	20,483,524	29,601,310	18,632,080	28,238,741
Liabilities				
Current and Other Liabilities	381,590	105,025	314,178	150,444
Long-Term Liabilities	2,789,315	4,089,444	2,885,791	4,402,153
Total Liabilities	3,170,905	4,194,469	3,199,969	4,552,597
Deferred Inflows				
Deferred Property Taxes	2,321,148	--	2,113,471	--
Net Position				
Net Investment in Capital Assets	11,101,025	16,745,011	10,312,652	16,942,866
Restricted	902,445	6,327,809	733,259	4,578,907
Unrestricted	2,988,001	2,334,021	2,272,729	2,164,371
Total Net Position	$14,991,471	$25,406,841	$13,318,640	$23,686,144

A portion of The Town's Net Position represents unrestricted net assets of $5,322,022, which may be used to meet the Town's ongoing obligations to citizens and creditors.

Another significant portion of the Town's net position reflects its investment in Capital Assets. These assets include land, infrastructure, buildings, equipment, and water rights. These capital assets are fixed investments and used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets, themselves, cannot be used to liquidate these liabilities.

An additional $902,445 of the Town's Net Position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR Emergency Reserve, Debt Service Reserve, and Conservation Trust Fund Revenues restricted for Parks and Recreation projects.

The following table reflects the Changes in Net Position for comparative years :

Years Ended December 31	2014 Governmental Activities	2014 Business-Type Activities	2013 Governmental Activities	2013 Business-Type Activities
Revenues				
Program Revenues:				
Charges for Services	$ 333,173	$ 2,733,025	$ 235,658	$ 2,464,878
Operating Contributions	1,158,492	--	577,389	87,102
Capital Contributions	--	1,207,720	124,874	585,971
General Revenues:	--	--	--	--
Property Taxes	2,092,698	--	1,779,142	--
Specific Ownership Taxes	176,583	--	128,057	--
Sales and Use Taxes	1,116,719	--	811,205	--
Impact Fees	337,997	--	--	--
Other Taxes and Fees	538,262	--	541,896	--
Investment Earnings	8,130	11,433	9,423	8,421
Other Revenues	20,081	--	76,990	--
Transfers	246,000	(246,000)	246,000	(246,000)
Total Revenues	6,028,135	3,706,178	4,530,634	2,900,372
Expenses				
General Government	1,573,050	--	1,163,369	--
Public Safety	887,004	--	795,468	--
Public Works	403,123	--	854,482	--
Parks and Open Space	429,307	--	410,144	--
Community Development	414,407	--	290,885	--
Festivals and Programs	82,671	--	45,723	--
Administration	345,974	--	102,305	--
Flood Recovery	109,837	--	223,856	--
Other	300	--	129,699	--
Interest on Long-Term Debt	109,631	141,026	131,740	153,149
Water	--	884,650	--	912,020
Sewer	--	674,162	--	757,498
Trash	--	285,643	--	266,872
Total Expenses	4,355,304	1,985,481	4,147,671	2,089,539
Increase in Net Position	$ 1,672,831	$ 1,720,697	$ 382,963	$ 81,833

Governmental Activities. Governmental activities increased the Town's Net Position by $1,672,831 in 2014. Key elements of this increase are as follows:

- Total revenues increased approximately 33% as a result of increased property and severance tax revenue, building permit fees, and a significant increase in sales and use taxes, particularly from the sales of new vehicles and the boost provided from new construction. Grant Fund and Impact Fee Fund revenues also notably contributed to this increase.

- Expenses increased approximately 5% from the previous year, from increased services, particularly related to the increase in building inspection services and grant-related activities.

Business-Type Activities. Business-type activities (i.e. utility services) increased the Town's net position by $1,720,697 in 2014. This was primarily due to a significant increase in capital investment fees for new construction and an increase in the customer base from general population growth and development.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and Board policy.

As of December 31, 2014, the total fund balances of the Town's Governmental Funds were $3,890,446. Approximately 51% of this consists of unrestricted fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of the fund balance total is restricted to indicate that it is not available for new spending because it is committed for the following purposes: Debt Service - $672,551; a State-Constitution Mandated Emergency Reserve - $105,238; Conservation Trust Funds for Parks and Recreation - $124,656; a Reserve for a committed future Infrastructure Project $102,000; Grant Funds assigned for specific projects - $231,967, Impact Fee Funds earmarked for specific project types - $370,532, and funds allocated to Capital Projects - $306,142.

The Town has three Major Governmental Funds:

1. **General Fund.** This is the primary operating fund of the Town. It accounts for the Town's core governmental services. The General Fund Balance was $2,184,598 as of December 31, 2014, and increased $298,175 over 2013.

2. **Debt Service Fund.** The Debt Service Fund accounts for the payment of the Town's general debt. The fund balance at December 31, 2014 was $672,551, all of which is restricted for Debt Service.

3. **Grants Fund.** The Grants Fund accounts for grant proceeds received, and Town matching funds provided, to complete grant-related projects. The Fund balance at December 31, 2014 was $231,967, all of which is assigned to specific projects.

The Town has two major Enterprise Funds, the Water and Sewer Funds.

1. **Water Fund.** The Water Fund accounts for service charges and expenses of operating the Town's water system, in addition to the capital investment fees and capital project expenditures related to improving the infrastructure of the utility. The Water Fund Net Position at December 31, 2014 is $19,376,737. Net position increased by $1,267,563 during the year as a result of increased tap fees from new construction and a general increase in revenues from new customer growth.

2. **Sewer Fund.** The Sewer Fund accounts for service charges and expenses of operating the Town's sanitary sewer system, in addition to the capital investment fees and capital project expenditures related to improving the infrastructure of the utility. The Sewer Fund net position at December 31, 2014 is $6,015,207. Net position increased by $457,329 due significantly from an increase in sewer tap fees.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

	Final Budget	Actual
Beginning Fund Balance	$ 1,886,423	$ 1,886,423
Revenue and Transfers In	4,247,142	4,304,115
Expenditures and Transfers Out	4,232,372	4,005,940
Ending Fund Balance	$ 1,901,193	$ 2,184,598

The 2014 Budget was amended during the year as part of the process of preparing the budget for 2015. At that time, updated estimates were made for all revenues and expenses and these revised estimates were adopted as the amended budget for 2014 at the end of the year.

Total revenues for the General Fund were $3,898,116, nearly $57,000 ahead of the revised budget, led by specific ownership taxes, sales and use taxes, and building permits. Sales taxes increased nearly 10% over 2013, and the use taxes on vehicle sales were nearly 50% ahead of the year before. Combined with the dramatic increase in use taxes for building materials (up 133%), these revenues pushed total taxes and fees up a full 20% from 2013 levels.

General Fund Expenditures were held below projected levels by over $226,000 which contributed significantly to the additional contribution to the year-end surplus and final Fund Balance. All major flood recovery costs have been recorded, so the recognition of any revenue received in 2015 will provide additional resources for the year. The only department that ran over budget was Public Works and Facilities Maintenance and this was primarily due to: (1) the accounting treatment required for the purchase of a skid steer, as the lease financing secured required the recognition of the entire purchase in this year, even though the cash payments were budgeted to be spent in 2014 and 2015, and (2) the overrun in the projected cost of utilities for Town facilities. These additional costs were more than offset in other departments, leaving the General Fund in healthy financial condition as we headed into 2015.

The General Fund's Unassigned Fund Balance of $1,977,360 represented over 56% of the year's expenditures, exceeding the 50% reserve targeted by the Board of Trustees by $223,390.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At the end of the year, the Town's net investment in capital assets amounted to $34,614,695. This investment in capital assets consists of land, infrastructure, utility distribution systems, property and equipment, net of accumulated depreciation. During 2014, the Town completed construction of the Hillsboro Skate Park, major site improvements and landscape around the Heritage House at Avila Park, and additional improvements to Town Hall. The Town was also in the final stages of construction on the Windmill Gateway entrance to Town, the Materials Storage Facility for Public Works, and the installation of a shade structure at Sappington Park in partnership with the Centennial Metropolitan District.

Long-Term Debt. At December 31, 2014, the Town had $4,073,922 of water and sewer loans payable, funded by service charges and a portion of capital investment fees. The Town also has General Obligation Bonds outstanding for the debt incurred to construct the Police Station and Meeting House ($1,765,000), which is funded through a property tax levy, and outstanding Sales Tax Bonds ($795,000) related to the installation of the signal light at Highways 60 and 257 at the entrance to Town. The remaining two payments on a capital lease for vehicles ($13,517) and Accrued Compensated Absences (Vacation, Sick, and Compensatory Time - $95,536) rounded out the balance of the Town's Long-Term obligations.

Additional information on the Town's Capital Assets and Long-Term Debt can be found in the Notes to the Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Milliken finances for all those with an interest in the Towns' fiscal condition. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 1101 Broad Street, Milliken, Colorado 80543.

TOWN OF MILLIKEN, COLORADO

STATEMENT OF NET POSITION

December 31, 2014	Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
ASSETS				
Total Cash and Cash Equivalents	$ 3,751,962	$ 8,080,238	$ 11,832,200	$ 37,688
Receivables:				
Property taxes	2,509,911	-	2,509,911	-
Utility accounts	-	660,234	660,234	-
Other	257,847	-	257,847	259,555
Internal Balances	183,564	-	183,564	
Prepaid Items	-	26,383	26,383	-
Capital Assets:				
Land and water rights	1,347,274	11,333,556	12,680,830	-
Depreciable	12,162,177	9,464,013	21,626,190	-
Construction in progress	270,789	36,886	307,675	-
Notes Receivable	-	-	-	1,526,235
Total Assets	20,483,524	29,601,310	50,084,834	1,823,478
LIABILITIES				
Accounts Payable	120,347	43,626	163,973	-
Accrued Expenses	77,679	12,865	90,544	-
Internal Balances	183,564	-	183,564	-
Accrued Interest Payable	-	48,534	48,534	-
Long-Term Debt:				
Deposits payable	110,100	15,522	125,622	-
Compensated Absences	95,536	-	95,536	
Due within one year	182,419	319,020	501,439	-
Due in more than one year	2,401,260	3,754,902	6,156,162	-
Total Liabilities	3,170,905	4,194,469	7,365,374	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	2,321,148	-	2,321,148	-
NET POSITION				
Net Investment in Capital Assets	11,101,025	16,723,647	27,824,672	-
Restricted for:				
TABOR emergencies	105,238	-	105,238	-
Debt service	672,551	78,930	751,481	-
Parks and recreation	124,656	-	124,656	-
Capital improvements	-	6,248,879	6,248,879	-
Unrestricted	2,988,001	2,355,385	5,343,386	1,823,478
TOTAL NET POSITION	$14,991,471	$ 25,406,841	$ 40,398,312	$ 1,823,478

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2014	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Contributions
Functions/Programs:				
Governmental Activities:				
General government	$1,573,050	$ 283,843	$ 715,057	$ -
Public safety	887,004	49,330	-	-
Public works	403,123	-	208,537	-
Parks and open space	429,307	-	53,813	-
Community development	414,407	-	-	-
Festivals and programs	82,671	-	-	-
Administration	345,974	-	-	-
Flood recovery	109,837	-	181,085	-
Other	300	-	-	-
Interest on long-term debt	109,631	-	-	-
Total Governmental Activities	4,355,304	333,173	1,158,492	-
Business-Type Activities:				
Water	884,650	1,452,356	-	843,220
Sewer	674,162	978,221	-	364,500
Trash	285,643	302,448	-	-
Interest on long-term debt	141,026	-	-	-
Total Business-Type Activities	1,985,481	2,733,025	-	1,207,720
TOTAL PRIMARY GOVERNMENT	$6,340,785	$3,066,198	$1,158,492	$ 1,207,720
Component Unit - Housing Authority	$ -	$ -	$ -	$ -

General Revenue:	
Property taxes	
Specific ownership taxes	
Sales and use taxes	
Impact fees	
Other taxes and fees	
Investment earnings	
Other revenues	
Transfers	
Total General Revenue	
Change in Net Assets	
Net Position - Beginning	
NET POSITION - Ending	

See Accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Total	Milliken Housing Authority
$ (574,150)	$ -	$ (574,150)	$ -
(837,674)	-	(837,674)	-
(194,586)	-	(194,586)	-
(375,494)	-	(375,494)	-
(414,407)	-	(414,407)	-
(82,671)	-	(82,671)	-
(345,974)	-	(345,974)	-
71,248	-	71,248	-
(300)	-	(300)	-
(109,631)	-	(109,631)	-
(2,863,639)	-	(2,863,639)	-
-	1,410,926	1,410,926	-
-	668,559	668,559	-
-	16,805	16,805	-
-	(141,026)	(141,026)	-
-	1,955,264	1,955,264	-
(2,863,639)	1,955,264	(908,375)	-
$ -	$ -	$ -	$ -
2,092,698	-	2,092,698	-
176,583	-	176,583	-
1,116,719	-	1,116,719	-
337,997	-	337,997	-
538,262	-	538,262	-
8,130	11,433	19,563	10,536
20,081	-	20,081	-
246,000	(246,000)	-	-
4,536,470	(234,567)	4,301,903	10,536
1,672,831	1,720,697	3,393,528	10,536
13,318,640	23,686,144	37,004,784	1,812,942
$14,991,471	$25,406,841	$40,398,312	$ 1,823,478

TOWN OF MILLIKEN, COLORADO
GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2014	General Fund	Grants Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash	$ 2,257,853	$ -	$ 655,859	$ 838,250	$ 3,751,962
Receivables	2,155,074	257,847	197,495	157,342	2,767,758
Due From Other Funds	100,618	82,946	-	-	183,564
Total Assets	$ 4,513,545	$ 340,793	$ 853,354	$ 995,592	$ 6,703,284
LIABILITIES					
Accounts Payable	$ 101,685	$ 8,208	$ 337	$ 10,117	$ 120,347
Accrued Expenses	77,679	-	-	-	77,679
Deposits Payable	110,100	-	-	-	110,100
Due To Other Funds	-	100,618	-	82,946	183,564
Total Liabilities	289,464	108,826	337	93,063	491,690
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	2,039,483	-	180,466	101,199	2,321,148
FUND BALANCES					
Restricted for:					
Debt service	-	-	672,551	-	672,551
TABOR emergencies	105,238	-	-	-	105,238
Parks and recreation	-	-	-	124,656	124,656
Assigned	102,000	231,967	-	676,674	1,010,641
Unassigned	1,977,360	-	-	-	1,977,360
Total Fund Balances	2,184,598	231,967	672,551	801,330	3,890,446
TOTAL LIABILITIES, DEFERRALS AND FUND BALANCES	$ 4,513,545	$ 340,793	$ 853,354	$ 995,592	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds					13,780,240
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds					(2,679,215)
Net Position of Governmental Activities					$ 14,991,471

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO
GOVERNMENTAL FUNDS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended December 31, 2014	General Fund	Grants Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenue:					
Taxes and fees	$3,314,921	$ -	$ 411,750	$ 535,588	$ 4,262,259
Licenses and permits	283,843	-	-	-	283,843
Intergovernmental	25,772	-	-	236,578	262,350
Fines and forfeitures	49,330	-	-	-	49,330
Grants and contributions	67,362	622,695	-	25,000	715,057
Investment earnings	5,736	-	1,141	1,253	8,130
Miscellaneous	20,081	-	-	-	20,081
Flood recovery	131,071	50,014	-	-	181,085
Total Revenue	3,898,116	672,709	412,891	798,419	5,782,135
Expenditures:					
General government	1,149,242	-	-	-	1,149,242
Public safety	887,004	-	-	-	887,004
Public works	403,123	-	-	-	403,123
Parks and open space	429,307	-	-	-	429,307
Community development	414,407	-	-	-	414,407
Festivals and programs	82,671	-	-	-	82,671
Administration	32,350	62,484	-	251,140	345,974
Flood recovery	109,837	-	-	-	109,837
Other	-	-	300	-	300
Debt service	-	-	294,212	-	294,212
Capital outlay	-	741,609	-	425,116	1,166,725
Total Expenditures	3,507,941	804,093	294,512	676,256	5,282,802
Revenue Over (Under) Expenditures	390,175	(131,384)	118,379	122,163	499,333
Other Financing Sources (Uses):					
Operating transfers in	406,000	305,675	-	524,025	1,235,700
Operating transfers out	(498,000)	-	-	(491,700)	(989,700)
Net Change in Fund Balances	298,175	174,291	118,379	154,488	745,333
Fund Balance, January 1	1,886,423	57,676	554,172	646,842	3,145,113
Fund Balance, December 31	$2,184,598	$ 231,967	$ 672,551	$ 801,330	$ 3,890,446

Continued on next page.

TOWN OF MILLIKEN, COLORADO
GOVERNMENTAL FUNDS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - Continued

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 745,333
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation in the year.	710,125
The issuance of long-term debt and obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences.	183,946
Decrease in accrued interest payable, which was not reflected in the governmental funds	635
Decrease in compensated absences, which does not require cash	32,792
Change in Net Position of Governmental Activities	$ 1,672,831

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

STATEMENT OF NET POSITION

December 31, 2014	Water Fund	Sewer Fund	Trash Fund	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash	$ 4,960,630	$ 3,106,575	$ 13,033	$ 8,080,238
Accounts receivable	435,472	199,863	24,899	660,234
Prepaid items	26,383	-	-	26,383
Due from other funds	-	-	-	-
Total Current Assets	5,422,485	3,306,438	37,932	8,766,855
Capital Assets:				
Land	-	59,791	-	59,791
Water rights	11,273,765	-	-	11,273,765
Buildings and plant	400,979	-	-	400,979
Distribution/collection system	6,163,627	10,211,200	-	16,374,827
Equipment and vehicles	460,932	132,869	-	593,801
	18,299,303	10,403,860	-	28,703,163
Accumulated depreciation	(3,622,055)	(4,283,539)	-	(7,905,594)
Construction in progress	36,886	-	-	36,886
Total Capital Assets	14,714,134	6,120,321	-	20,834,455
Total Assets	20,136,619	9,426,759	37,932	29,601,310
LIABILITIES				
Current Liabilities:				
Accounts payable	17,771	2,820	23,035	43,626
Accrued interest payable	2,846	45,688	-	48,534
Accrued expenses	10,230	2,635	-	12,865
Current portion of long-term liabilities	18,417	300,603	-	319,020
Total Current Liabilities	49,264	351,746	23,035	424,045
Long-Term Liabilities:				
Long-term loans	710,618	3,044,284	-	3,754,902
Deposits payable	-	15,522	-	15,522
Total Long-Term Liabilities	710,618	3,059,806	-	3,770,424
Total Liabilities	759,882	3,411,552	23,035	4,194,469
NET POSITION				
Net Investment in Capital Assets	13,985,099	2,759,912	-	16,745,011
Restricted	4,262,056	2,065,753	-	6,327,809
Unrestricted	1,129,582	1,189,542	14,897	2,334,021
TOTAL NET POSITION	$ 19,376,737	$ 6,015,207	$ 14,897	$25,406,841

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2014	Water Fund	Sewer Fund	Trash Fund	Total
Operating Revenue - charges for services	$ 1,452,356	$ 978,057	$302,448	$ 2,732,861
Operating Expenses:				
Personnel	78,931	122,447	-	201,378
Supplies	44,706	14,744	-	59,450
Contractual services	79,105	26,432	285,643	391,180
Communications	6,070	9,078	-	15,148
Utilities	80,714	90,077	-	170,791
Operations and maintenance	44,561	55,608	-	100,169
Insurance	12,749	18,477	-	31,226
Water treatment and assessments	288,667	-	-	288,667
Other	12,786	15,088	-	27,874
Depreciation	236,361	322,211	-	558,572
Total Operating Expenses	884,650	674,162	285,643	1,844,455
Operating Income (Loss)	567,706	303,895	16,805	888,406
Nonoperating Revenue (Expenses):				
Investment earnings	6,824	4,609	-	11,433
Interest expense	(35,187)	(105,839)	-	(141,026)
Miscellaneous	-	164	-	164
Net Nonoperating Expense	(28,363)	(101,066)	-	(129,429)
Income Before Contributions and Operating Transfers	539,343	202,829	16,805	758,977
Capital Investment Fees	843,220	364,500	-	1,207,720
Operating Transfers In (Out)	(115,000)	(110,000)	(21,000)	(246,000)
Change in Net Position	1,267,563	457,329	(4,195)	1,720,697
Fund Net Position, January 1	18,109,174	5,557,878	19,092	23,686,144
Fund Net Position, December 31	$19,376,737	$6,015,207	$ 14,897	$25,406,841

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

Year Ended December 31, 2014	Water Fund	Sewer Fund	Trash Fund	Total
Cash Flows from Operating Activities:				
Cash received from customers	$ 1,257,913	$ 969,521	$302,175	$2,529,609
Cash payments:				
To suppliers for goods and services	(583,771)	(259,178)	(285,040)	(1,127,989)
To employees for services	(78,931)	(122,447)	-	(201,378)
Net Cash Provided by Operating Activities	595,211	587,896	17,135	1,200,242
Cash Flows from Noncapital Financing Activities:				
Increase (decrease) in due to other funds	315,080	72,440	-	387,520
Operating Transfer Out - General Fund	(115,000)	(110,000)	(21,000)	(246,000)
Other	-	164	-	164
Net Cash Provided (Used) by Noncapital and Related Financing Activities	200,080	(37,396)	(21,000)	141,684
Cash Flows from Capital and Related Financing Activities:				
Acquisition of equipment and plant	(63,527)	-	-	(63,527)
Debt principal reduction	(17,572)	(295,137)	-	(312,709)
Interest paid on debt	(35,256)	(109,871)	-	(145,127)
Capital investment fees	843,220	364,500	-	1,207,720
Cash-In-Lieu		-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	726,865	(40,508)	-	686,357
Cash Flows from Investing Activities:				
Interest	6,824	4,609	-	11,433
Net Cash Provided by Investing Activities	6,824	4,609	-	11,433
Net Increase (Decrease) in Cash	1,528,980	514,601	(3,865)	2,039,716
Cash and Cash Equivalents, January 1	3,431,650	2,591,974	16,898	6,040,522
Cash and Cash Equivalents, December 31	$ 4,960,630	$ 3,106,575	$ 13,033	$8,080,238
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:				
Operating Income (loss)	$ 567,706	$ 303,895	$ 16,805	$ 888,406
Depreciation	236,359	322,210	-	558,569
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(194,443)	(8,536)	(273)	(203,252)
Prepaid items	(2,163)	-	-	(2,163)
Increase (decrease) in:				
Accounts payable	(21,201)	(30,280)	603	(50,878)
Accrued expenses	8,953	607	-	9,560
Net Cash Provided by Operating Activities	$ 595,211	$ 587,896	$ 17,135	$1,200,242

See Accompanying Notes to Financial Statements.

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Town of Milliken, Colorado conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

Reporting Entity:

The financial report of the Town includes all of the integral parts of the Town's operations. The Town has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

The Mayor appoints members of the Milliken Housing Authority. Otherwise, the Town has no role in the designation of management and no ability to influence operations. The Town does not have financial accountability for the Milliken Housing Authority, as the Authority is fiscally independent.

Proceeds from the seizure of contraband, if any, are included in the reporting entity.

Government-Wide and Fund Financial Statements:

The Government-Wide Financial Statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Government-Wide and Fund Financial Statements – Continued:
The Town reports the following major governmental funds:

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

The *Grants Fund* accounts for the receipt and spending of the proceeds of state, federal and private grants including any matching funds provided by the Town.

The *Debt Service Fund* accounts for revenues received to accumulate resources for the payment of principal and interest on long-term debt not being financed by proprietary funds.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for user charges and the expenses for operating, financing, and maintaining the Town's water system.

The *Sewer Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's sanitary sewer system.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Accounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Measurement Focus, 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 proprietary funds. 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.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period of 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Cigarette taxes, sales taxes, use taxes, taxpayer-assessed taxes, interest revenue, and charges for services 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 to be measurable and available only when cash is received by the government.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, stormwater drainage, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide 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 in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Capital Assets – Continued:

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the Government-Wide Statement of Activities.

Estimated useful lives for asset types are as follows:

Buildings and Improvements	30 – 50 years
Equipment and Vehicles	5 – 10 years
Infrastructure	10 – 50 years

Long-Term Obligations:

In the Government-Wide Financial Statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the Town are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR restrictions at December 31, 2014 are $105,238.

Assigned fund balances, if any, are amounts the Town intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The Town uses the Weld County Treasurer to bill and collect its property taxes. Taxes levied in December 2014 are recorded as taxes receivable and deferred revenue as of December 31, 2014. The original January 1, 2014 levy for the General Fund and Debt Service Fund of the Town was 28.623 mills and 2.413 mills, respectively, or approximately $2.1 million and $.2 million, respectively. Of the General Fund levy, $143,934 was allocated to the Oil & Gas 5.5% Exempt Fund.

Budget:

An annual budget and appropriation ordinance is adopted by the Town Board in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for all funds, except for modifications in the enterprise funds which are discussed below. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Town Administrator is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Town Board through a supplemental appropriation ordinance.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (GAAP), except for the enterprise funds:

a. Depreciation and amortization expense is budgeted in the enterprise funds.
b. Principal reduction of bonds is budgeted as expenses.
c. Property and equipment purchases are budgeted as expenses.

Budgetary comparisons presented in the enterprise funds are on this non-GAAP budget basis.

The Town may be in violation of the Colorado Revised Statutes due to the over-expenditures of budget appropriations in the Impact Fee and Trash Fund.

Transfers In/Out:

Transfers to the General Fund were made from the Water, Sewer, Trash and Street Funds to reimburse the General Fund for various administrative expenses.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Pooled Cash:

Most cash resources of the Town are combined and deposited in an interest bearing bank account. Interest income earned on the pooled account is allocated to the General Fund. If a fund's share of the pooled cash is a deficit, a Due to Other Funds account is established.

Employee Vacation and Sick Leave:

All full-time Town employees accumulate sick leave for subsequent use. A percentage of sick time is paid based on years of service upon termination. Employees also receive vacation leave. The amount earned but unused at the time of termination is paid.

Non-exempt employees meeting overtime criteria can choose to receive compensatory time in lieu of cash payment. The time that is accumulated is payable upon termination.

Statement of Cash Flows:

For purposes of the statement of cash flows, the Town considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

NOTE 2 - Cash and Investments:

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes 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 district, 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.

At December 31, 2014, the Town had $3,604,269 invested in the Colorado Secure Assets Fund (CSAFE), an SEC Rule 2a7-like investment pool. Investments are valued at amortized cost with each share valued at $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. CSAFE is rated AAAm by Standard & Poor's.

NOTE 3 – Capital Assets:

Governmental Activities	Balance, 1/1/14	Additions	Deletions	Balance, 12/31/14
Not Depreciable:				
Land	$ 1,346,924	$ 350	$ --	$ 1,347,274
Construction in progress	24,507	261,777	15,495	270,789
Depreciable:				
Buildings and improvements	4,799,584	27,380	--	4,826,964
Infrastructure	10,830,073	840,135	--	11,670,208
Equipment and vehicles	1,475,113	106,991	--	1,582,104
Total Cost	$ 18,476,201	$1,236,633	$ 15,495	$ 19,697,339
Less Accumulated Depreciation:				
Buildings and improvements	$ 701,145	$ 104,296	$ --	$ 805,441
Infrastructure	3,522,827	331,822	--	3,854,649
Equipment and vehicles	1,182,114	74,895	--	1,257,009
Total Accumulated Depreciation	5,406,086	511,013	--	5,917,099
Capital Assets, Net	$ 13,070,115	$ 725,620	$ 15,495	$13,780,240

Depreciation expense is allocated as follows:

General Governmental Activities	$ 137,514
Public Safety	79,954
Public Works	27,258
Parks and Recreation	266,287
	$ 511,013

NOTE 3 – Capital Assets – Continued:

Business-Type Activities	Balance, 1/1/14	Additions	Deletions	Balance, 12/31/14
Not Depreciable:				
Land and improvements	$ 59,791	$ --	$ --	$ 59,791
Water rights	11,273,765	--	--	11,273,765
Construction in progress	--	36,886		36,886
Depreciable:				
Buildings and improvements	400,979	--	--	400,979
Distribution/collection system	16,374,825	--	--	16,374,825
Equipment and vehicles	567,158	26,643	--	593,801
Total Cost	$ 28,676,518	63,529	--	$ 28,740,047
Less Accumulated Depreciation:				
Buildings and improvements	72,024	8,019	--	80,043
Distribution/collection system	6,725,586	543,248	--	7,268,834
Equipment and vehicles	549,411	7,303	--	556,714
Total Accumulated Depreciation	7,347,021	558,570	--	7,905,591
Capital Assets, Net	$ 21,329,497	$ (495,041)	$ --	$ 20,834,456

Depreciation expense is allocated as follows:

Water Fund	$ 236,359
Sewer Fund	322,211
	$ 558,570

NOTE 4 - Water and Sewer Debt:

December 31	2014
Series 2003, loan from Colorado Water Resource and Power Development Authority, due in varying monthly installments through 2024, average interest rate at 3.28%. (This debt will be serviced by the Sewer Fund, an Enterprise Fund.)	$ 3,344,887
Series 2000, loan from USDA Rural Development, due in varying monthly installments through 2037, average interest at 4.75%. (This debt will be serviced by the Water Fund, an Enterprise Fund.)	729,034
Total Water and Sewer Debt	$ 4,073,921

NOTE 4 - Water and Sewer Debt – Continued:

The annual requirements to amortize these loans as of December 31, 2014 are as follows:

Year Ending December 31	Principal	Interest	Total
2015	$ 319,020	$ 137,634	$ 456,654
2016	325,370	128,726	454,096
2017	331,763	125,126	456,889
2018	338,201	119,734	457,935
2019	344,686	94,023	438,709
2020 – 2024	1,915,408	358,022	2,273,430
2025 – 2029	162,103	102,037	264,140
2030 – 2034	204,989	59,151	264,140
2035 – 2037	132,381	10,302	142,683
	$ 4,073,921	$1,134,755	$ 5,208,676

Changes in Enterprise Fund long-term debt during the year were as follows:

	Balance, 1/1/14	Additions	Retirements	Balance, 12/31/14	Due Within One Year
USDA Loan – Water	$ 746,607	$ --	$ 17,573	$ 729,034	$ 18,417
CWRPDA Loan – Sewer	3,640,024	--	295,137	3,344,887	300,603
	$ 4,386,631	$ --	$ 312,710	$ 4,073,921	$ 319,020

NOTE 5 – Governmental Long-Term Debt:

The Town has entered into a capital lease for a police car. Annual payments of $7,419 are required until 2016 including interest at 6.45%. The car secures the capital lease and is carried at $24,268 at December 31, 2014. Lease payments will be made by the General Fund.

During 2004, the Town issued Sales and Use Tax Revenue Bonds, Series 2004A in the amount of $1,350,000, to finance the construction and installation of traffic signals and related improvements to the intersection of State Highways 60 and 257. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1, through 2023. Interest accrues at rates ranging from 4.15% to 4.85%.

During 2007, the Town issued General Obligation bonds, Series 2007, in the amount of $2,500,000, for the purpose of designing, acquiring, constructing and furnishing a new police department facility. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1, through 2027. Interest accrues at rates ranging from 4.0% to 4.5%.

NOTE 5 – Governmental Long-Term Debt – Continued:

The following is a schedule of the future payments under these loans and capital leases, and the present value of the payments at December 31, 2014.

Year Ending December 31	Amount
2015	$ 299,832
2016	302,720
2017	292,675
2018	299,755
2019	301,130
2020-2024	1,354,888
2025-2027	551,652
Total minimum payments	3,402,652
Less: Amount representing interest	829,135
Present value of future payments	$ 2,573,517

Changes in long-term debt during the year were as follows:

	Balance, 1/1/14	Additions	Retirements	Balance, 12/31/14	Due Within One Year
Sales Tax Bonds	$ 865,000	$ --	$ 70,000	$ 795,000	$ 75,000
G.O. Bonds	1,865,000	--	100,000	1,765,000	100,000
Capital Lease	27,463	--	13,946	13,517	7,419
Compensated Absences	128,328	124,240	157,032	95,536	--
	$2,885,791	$ 124,240	$ 340,978	$ 2,669,053	$ 182,419

NOTE 6 - Defined Contribution Plans:

Paid Policemen's Pension Plan: The Town and its police officers participate in a defined contribution pension plan for the benefit of all police officers. In a defined contribution plan, benefits depend solely on amounts contributed to the pan, plus investment earnings. The contribution requirements of the police pension plan participants and the Town are established, and may be amended, by the Board of Trustees. The Town is required to contribute 12% of each participating employee's compensation hired prior to 2007, and 8% for those hired after 2007. Each employee must contribute 8% of their salary. Employees become vested in employer contributions to the police pension plan at 20% per year of service. During the year ended December 31, 2014, the Town and employee contribution were $55,521 and $41,978, respectively, equal to the required contributions.

NOTE 6 - Defined Contribution Plans – Continued:

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, 2014, the Town and employee contributions were $26,594 and $17,706, respectively, equal to the required contributions.

NOTE 7 - Colorado Intergovernmental Risk Sharing Agency (CIRSA):

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. In 1986, the Town Board authorized participation in the agency. The Town has participated each year since then.

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

The Town recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Town paid $132,088 to CIRSA in 2014, including $37,144 for workers compensation coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8 - Contingencies:

In 1992, Colorado voters approved "Amendment One", or the Taxpayer's Bill of Rights (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales.

In November 2001, the electors of the Town of Milliken voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

NOTE 8 – Contingencies – Continued:

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the applicable requirements of the Amendment. Included in the accompanying financial statements are emergency reserves required by TABOR, of at least 3% of fiscal year spending, recorded in the General Fund.

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.

The Town received Notices of Violations (NOV) and Cease and Desist Orders from the Colorado Department of Public Health and Environment (CDPHE) in May 2014, related to violations of its discharge permit for the operation of the Town's Reverse Osmosis (R/O) Water Treatment Facility. The violations related to the levels of selenium contained in the discharge brine from the facility, in addition to reporting deficiencies and a failure to address the discharge non-compliance issue in accordance with prior notifications and inspections. The Town immediately and comprehensively responded to the orders contained in the NOVs and is operating under a strict compliance schedule to assess and evaluate its long-term treatment options to resolve the matter permanently. The Town voluntarily ceased operation of the R/O facility on December 2, 2014 to eliminate any additional violations, and to demonstrate its commitment to resolving the problem until a solution is identified and implemented. In the meantime, the Town has negotiated a capacity and service-level amendment to its supply agreement with one of its outside water treatment providers and notified the other provider of the Town's intent to increase treatment volumes in 2015.

The financial implications of these events are many, however, as of the date of this report, an accurate assessment of the potential liability cannot be quantified with any level of certainty. The daily fine for non-compliance is $10,000 per day, and the Town has violations that extend over several years. However, the diligent efforts the Town has made to adhere to the current compliance schedule and its commitment to resolve the systemic problem with its R/O facility may be significant mitigating factors considered by the CDPHE during the upcoming negotiations to determine the final penalty to be assessed if any.

In addition, the Town will potentially expend several hundred thousand dollars for water treatment in 2015, depending on the level of demand and the management of the supply. The Town has water restrictions in place to help alleviate the potential burden and related costs, and will continue to notify its customers of these restrictions and their enforcement.

NOTE 9 – Housing Authority Notes Receivable:

The Housing Authority has five separate notes receivable from Dove Valley, LLLP, the Company that owns and operated 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, $200,000, $747,192 and $140,000 at December 31, 2014. The other note carries an interest rate of 5.0% and a balance of $39,043 at December 31, 2013. All of the notes mature in December 2046, when all of the principal and accrued interest will be due. As of December 31, 2014, there was accrued interest of $81,625, included in Other Receivables in the accompanying Statement of Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MILLIKEN, COLORADO
GENERAL FUND

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2014	Actual	Original Budget	Amended Budget	Variance
Revenue:				
Taxes and fees	$3,314,921	$2,832,226	$3,226,586	$ 88,335
Licenses and permits	283,843	192,100	265,185	18,658
Intergovernmental	25,772	80,000	25,000	772
Fines and forfeitures	49,330	35,000	47,000	2,330
Grants and contributions	67,362	6,500	63,000	4,362
Investment earnings	5,736	9,190	5,430	306
Miscellaneous	20,081	20,000	18,941	1,140
Flood recovery	131,071	132,825	190,000	(58,929)
Total Revenue	3,898,116	3,307,841	3,841,142	56,974
Expenditures:				
General government	1,149,242	1,145,112	1,198,625	49,383
Public safety	887,004	925,498	949,598	62,594
Public works	403,123	348,153	376,291	(26,832)
Parks and open space	429,307	393,574	471,060	41,753
Community development	414,407	346,317	430,881	16,474
Administration	82,671	86,092	98,823	16,152
Festivals and programs	32,350	58,600	31,344	(1,006)
Flood recovery	109,837	161,000	177,750	67,913
Capital outlay	-	-	-	-
Total Expenditures	3,507,941	3,464,346	3,734,372	226,431
Revenue Over (Under) Expenditures	390,175	(156,505)	106,770	283,405
Other Financing Sources (Uses):				
Operating transfers in (out)	(92,000)	157,640	(92,000)	65,640
Net Change in Fund Balances	298,175	1,135	14,770	349,045
Fund Balance, January 1	1,886,423	1,886,423	1,886,423	-
Fund Balance, December 31	$2,184,598	$2,045,198	$1,901,193	283,405

TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
GRANTS FUND

Schedule of Revenue and Transfers Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Intergovernmental	$ 672,709	$ 742,150	$ (69,441)
Transfers In:			
General Fund	116,500	116,500	-
Conservation Trust Fund	49,175	49,175	-
Capital Improvement Fund	95,000	95,000	-
Impact Fee Fund	45,000	45,000	-
Total Revenue and Transfers In	$ 978,384	$ 1,047,825	$ (69,441)

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2014	Actual	Original Budget	Final Budget	Variance From Final Budget
Professional services	$ 62,484	$ 33,500	$ 144,000	$ 81,516
Capital outlay	741,609	887,915	776,314	34,705
Total Expenditures	$ 804,093	$ 921,415	$ 920,314	$ 116,221

ADDITIONAL INFORMATION

TOWN OF MILLIKEN, COLORADO
DEBT SERVICE FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Property Taxes	$ 188,301	$ 190,151	$ (1,850)
Sales and Use Taxes	223,449	202,047	21,402
Interest	1,142	690	452
Total Revenue	$ 412,892	$ 392,888	$ 20,004

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2014	Actual	Original Budget	Final Budget	Variance from Final Budget
Debt Service:				
Principal	$ 170,000	$ 170,000	$ 170,000	$ -
Interest	124,212	124,212	124,212	-
Fees	300	3,000	300	-
Total Expenditures - Debt Service	$ 294,512	$ 297,212	$ 294,512	$ -

TOWN OFMILLIKEN, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

	Special Revenue					
December 31, 2014	Conservation Trust Fund	Capital Projects Fund	Impact Fee Fund	Street Fund	Oil & Gas 5.5% Exempt Fund	Total
ASSETS						
Cash	$ 117,842	$ 311,064	$ 329,417	$ 79,927	$ -	$ 838,250
Receivables	-	-	41,115	15,028	101,199	157,342
Due from Other Funds	-	-	-	-	-	-
TOTAL ASSETS	117,842	311,064	370,532	94,955	101,199	995,592
LIABILITIES						
Accounts Payable	-	4,922	-	5,195	-	10,117
Due to Other Funds	82,946	-	-	-	-	82,946
Total Liabilities	82,946	4,922	-	5,195	-	93,063
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	-	-	-	-	101,199	101,199
FUND BALANCES						
Restricted	34,896	-	-	89,760	-	124,656
Assigned	-	306,142	370,532	-	-	676,674
Total Fund Balances	34,896	306,142	370,532	89,760	-	801,330
TOTAL LIABILITIES AND FUND BALANCES	$ 117,842	$ 311,064	$ 370,532	$ 94,955	$ 101,199	$ 995,592

TOWN OF MILLIKEN, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2014	Conservation Trust Fund	Capital Project Fund	Impact Fee Fund	Street Fund	Oil & Gas 5.5% Exempt Fund	Total
Operating Revenue:						
Taxes	$ -	$ -	$ -	$ 55,066	$ 142,525	$ 197,591
Impact fees	-	-	337,997	-	-	337,997
Intergovernmental	28,041	-	-	208,537	-	236,578
Grants and contributions	-	25,000	-	-	-	25,000
Interest	810	39	-	404	-	1,253
Total Operating Revenue	28,851	25,039	337,997	264,007	142,525	798,419
Expenditures:						
Administration	-	3,000	-	248,140	-	251,140
Capital outlay	-	360,740	64,376	-	-	425,116
Total Expenditures	-	363,740	64,376	248,140	-	676,256
Revenue Over (Under) Expenditures	28,851	(338,701)	273,621	15,867	142,525	122,163
Operating Transfers In	-	381,500	-	142,525	-	524,025
Operating Transfers Out	(49,175)	(95,000)	(45,000)	(160,000)	(142,525)	(491,700)
Net Change in Fund Balances	(20,324)	(52,201)	228,621	(1,608)	-	154,488
Fund Balance, January 1	55,220	358,343	141,911	91,368	-	646,842
Fund Balance, December 31	$ 34,896	$ 306,142	$ 370,532	$ 89,760	$ -	$ 801,330

TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
CONSERVATION TRUST FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Intergovernmental	$ 28,041	$ 30,000	$ (1,959)
Interest	810	510	300
Total Revenue	$ 28,851	$ 30,510	$ (1,659)

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2014	Actual	Original and Final Budget	Variance From Final Budget
Transfer Out - Grants Fund	$ 49,175	$ 49,175	$ -
Total Expenditures and Transfers	$ 49,175	$ 49,175	$ -

TOWN OFMILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
CAPITAL PROJECT FUND

Schedule of Revenue and Transfers Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Grants and contributions	$ 25,000	$ 25,000	$ -
Transfer In - General Fund	381,500	381,500	-
Interest	39	40	(1)
Total Revenue and Transfers In	$406,539	$406,540	$ (1)

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2014	Actual	Original Budget	Final Budget	Variance From Final Budget
Capital Outlay	$360,740	$754,500	$457,750	$ 97,010
Other	3,000	-	3,000	-
Transfer Out - General Fund	95,000	95,000	95,000	-
Total Expenditures and Transfers Out	$458,740	$849,500	$555,750	$ 97,010

TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
IMPACT FEE FUND

Schedule of Revenue and Transfers Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Inpact Fees	$337,997	$231,600	$ 106,397
Total Revenue and Transfers In	$337,997	$231,600	$ 106,397

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2014	Actual	Original and Final Budget	Variance From Final Budget
Capital Outlay	$ 64,376	$ 58,468	$ (5,908)
Transfer Out - General Fund	45,000	45,000	-
Total Expenditures and Transfers Out	$109,376	$103,468	$ (5,908)

TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
STREET FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Sales Taxes	$ -	$ -	$ -
B and D Taxes	-	-	-
Motor Vehicle Fees	-	-	-
County Road and Bridge	55,066	52,000	3,066
Highway Users Tax	208,537	200,625	7,912
Transfer in - 5.5% Exempt Fund	142,525	143,934	(1,409)
Interest	404	225	179
Total Revenue	$ 406,532	$396,784	$ 9,748

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2014	Actual	Original Budget	Final Budget	Variance from Final Budget
Streets:				
Current operating:				
Maintenance	$ 44,638	$ 35,000	$ 36,040	$ (8,598)
Training	-	3,300	3,100	3,100
Capital outlay, patching, seal coating	203,502	250,000	250,000	46,498
Transfer out - General fund	160,000	160,000	160,000	-
Total Expenditures and Transfers - Streets	$ 408,140	$ 448,300	$449,140	$ 41,000

TOWN OFMILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
OIL & GAS 5.5% EXEMPT FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Property Taxes	$ 142,525	$ 143,934	$ (1,409)
Total Revenue	$ 142,525	$ 143,934	$ (1,409)

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2014	Actual	Original and Final Budget	Variance From Final Budget
Transfers Out:			
Street Fund	$ 142,525	$ 143,934	$ 1,409
Total Expenditures and Transfers Out	$ 142,525	$ 143,934	$ 1,409

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS - WATER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Operating Revenue:			
Water service fees	$1,294,433	$1,264,000	$ 30,433
Lease	11,060	18,000	(6,940)
Nonoperating Revenue:			
Capital investment fee	843,220	640,000	203,220
Cash-in-lieu fee	96,305	120,000	(23,695)
Water meter purchase	24,475	19,250	5,225
Supplemental impact fee	7,209	5,670	1,539
Interest on delinquent accounts	18,874	18,000	874
Earnings on investments	6,824	4,100	2,724
Total Revenue	$2,302,400	$2,089,020	$ 213,380

Schedule of Expenses and Transfers Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2014	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Personnel:				
Salaries	$ 58,400	$ 55,202	$ 57,552	$ (848)
Employee benefits	20,531	22,422	21,896	1,365
Supplies	44,706	85,225	44,865	159
Contractual services	79,105	55,000	59,000	(20,105)
Utilities	80,714	75,600	68,000	(12,714)
Repairs and maintenance	44,561	58,200	76,200	31,639
Insurance	12,749	12,697	12,410	(339)
Water assessments	50,352	60,000	30,000	(20,352)
Communications	6,070	9,750	5,550	(520)
Treatment fees	238,315	350,000	270,000	31,685
Miscellaneous	12,786	14,755	10,375	(2,411)
Depreciation	236,361	265,000	265,000	28,639
Total Operating Expenses	884,650	1,063,851	920,848	36,198
Nonoperating Expenses:				
Capital outlay	-	719,000	148,000	148,000
Loan payments	35,187	52,828	52,828	17,641
Total Nonoperating Expenses	35,187	771,828	200,828	165,641
Operating Transfers Out - General Fund	115,000	115,000	115,000	-
Total Expenses and Transfers	$ 1,034,837	$1,950,679	$1,236,676	$ 201,839

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS - SEWER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Operating Revenue:			
Sewer service charges	$ 938,664	$ 925,000	$ 13,664
Miscellaneous	5,453	5,500	(47)
Nonoperating Revenue:			
Supplemental impact fee	15,230	12,390	2,840
Sewer tap fees	364,500	280,000	84,500
Interest on delinquent accounts	18,874	18,000	874
Earnings on investments	4,609	3,250	1,359
Total Revenue	$1,347,330	$ 1,244,140	$ 103,190

Schedule of Expenses and Transfers Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2014	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Personnel:				
Salaries	$ 91,387	$ 92,435	$ 92,435	$ 1,048
Employee benefits	31,060	36,631	36,631	5,571
Supplies	14,744	25,800	18,930	4,186
Contractual services	26,432	170,500	29,700	3,268
Utilities	90,077	84,200	81,400	(8,677)
Repairs and maintenance	55,608	120,000	93,900	38,292
Insurance	18,477	19,839	18,477	-
Communications	9,078	10,550	10,050	972
Miscellaneous	15,088	34,700	15,750	662
Depreciation	322,211	335,000	325,000	2,789
Total Operating Expenses	674,162	929,655	722,273	48,111
Nonoperating Expenses:				
Loan payments	105,839	418,642	418,642	312,803
Capital outlay	-	353,000	25,000	25,000
Total Nonoperating Expenses	105,839	771,642	443,642	337,803
Operating Transfer Out - General Fund	110,000	110,000	110,000	-
Total Expenses and Transfers	$ 890,001	$1,811,297	$ 1,275,915	$ 385,914

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS - TRASH FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2014	Actual	Estimate	Variance
Operating Revenue - Trash collection fees	$302,448	$300,500	$ 1,948
Total Revenue	$302,448	$300,500	$ 1,948

Schedule of Expenses and Transfers Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2014	Actual	Budget	Variance
Operating Expenses:			
Supplies	$ -	$ -	$ -
Contractual services	285,643	278,000	(7,643)
Total Operating Expenses	285,643	278,000	(7,643)
Nonoperating Expenses:			
Capital outlay	-	-	-
Operating Transfer Out - General Fund	21,000	21,000	-
Total Expenses and Transfers	$306,643	$299,000	$ (7,643)

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 2014**
This Information From The Records Of (example - City of _ or County of **Town of Milliken**	Prepared By: **Patrick Murphy** Phone: **(970) 660-5044**

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	307,354
4. Miscellaneous local receipts (from page 2)	403
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)	307,757
B. Private Contributions	
C. Receipts from State government (from page 2)	208,537
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	516,294

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	115,692
2. Maintenance:	223,309
3. Road and street services:	
a. Traffic control operations	5,806
b. Snow and ice removal	26,131
c. Other	
d. Total (a. through c.)	31,937
4. General administration & miscellaneous	37,202
5. Highway law enforcement and safety	
6. Total (1 through 5)	408,140
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	39,763
b. Redemption	70,000
c. Total (a. + b.)	109,763
3. Total (1.c + 2.c)	109,763
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	517,903

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
91,368	516,294	517,903		89,759

Notes and Comments:

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

1

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2014

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	142,525	a. Interest on investments	403
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes	109,763	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	55,066	g. Other Misc. Receipts	
6. Total (1. through 5.)	164,829	h. Other	
c. Total (a. + b.)	307,354	i. Total (a. through h.)	403
	(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	208,537	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)	208,537	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		115,692	115,692
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	115,692	115,692
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	115,692	115,692
			(Carry forward to page 1)

Notes and Comments: