



FINANCIAL STATEMENTS

Year Ended December 31, 2015



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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Milliken, Colorado as of and for the year ended December 31, 2015, 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 perform 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.

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Milliken as of December 31, 2015, 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.

Emphasis of Matter

As discussed in Notes 1 and 11 to the financial statements, the Town adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and* GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States require that management discussion and analysis the General Fund and Grants Fund budget comparisons, and pension information 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 43-53 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.

September 6, 2016

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, 2015. 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 2016. 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 issued 88 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 2015. 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.

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 and grant-funded activities. Consequently, the Board, and the citizens of Milliken can remain confident that the funds appropriated in the 2016 budget are secure and available to provide for the activities planned for the current year.

- The Town's assets exceeded liabilities and deferred inflows by \$42.7 million at December 31, 2015. Of this amount, \$5.4 million is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. This represents an unrestricted increase of \$1.3 million over 2014.
- The General Fund Fund Balance was \$2,269,207 as of December 31, 2015. Of this amount, \$109,499 is legally restricted for emergencies and \$102,000 is assigned to future commitments and contingencies. The remaining unassigned fund balance of \$2,057,708 is \$80,348 more than last year and represents 59% of General Fund operating expenditures, which exceeds the Board's 2015 target requirement of 50% by over \$300,000.
- The Water Fund has net position of \$19,827,496 at December 31, 2015, of which \$335,661 is available for operating reserves. \$4,267,318 is restricted for Capital Improvements, Water Rights Acquisition, and Debt Service. The remainder is invested in Net Capital Assets.
- The Sewer Fund has net position of \$6,406,411 at December 31, 2015, of which \$1,530,859 is available for operating reserves. \$2,065,753 is restricted for Capital Improvements. The remainder is invested in Net Capital Assets.

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 38 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, 2015, the Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$42.7 million, compared to \$40.5 million in 2014, an increase of over 5%.

The following table provides a summary of the Town's net position for both years:

December 31	2015		2014	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business- Type Activities
Assets:				
Current and Other Assets	\$ 7,125,076	\$ 8,774,232	\$ 6,703,284	\$ 8,766,854
Capital Assets	14,419,459	21,789,218	13,780,240	20,834,456
Total Assets	21,544,535	30,563,450	20,483,524	29,601,310
Deferred Outflows:				
Pension Plan	50,449	--	--	--
Liabilities:				
Current and Other Liabilities	309,660	543,482	381,590	105,025
Long-Term Liabilities	2,546,881	3,770,424	2,789,315	4,089,444
Total Liabilities	2,856,541	4,313,906	3,170,905	4,194,469
Deferred Inflows:				
Deferred Property Taxes	2,324,695	--	2,321,148	--
Net Position:				
Net Investment in Capital Assets	11,919,403	18,034,316	11,101,025	16,745,011
Restricted	1,012,962	6,333,071	902,445	6,327,809
Unrestricted	3,481,383	1,882,157	2,988,001	2,334,021
Total Net Position	16,413,748	26,249,544	\$14,991,471	\$25,406,841

A portion of The Town's net position represents unrestricted net position of \$5,363,540, 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 \$7,346,033 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	2015		2014	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<u>Revenues</u>				
Program Revenues:				
Charges for Services	\$ 380,083	\$ 2,896,164	\$ 333,173	\$ 2,733,025
Operating Contributions	960,948	--	1,158,492	--
Capital Contributions	--	1,068,060	--	1,207,720
General Revenues:				
Property Taxes	2,218,766	--	2,092,698	--
Specific Ownership Taxes	165,426	--	176,583	--
Sales and Use Taxes	1,214,161	--	1,116,719	--
Impact Fees	311,599	--	337,997	--
Other Taxes and Fees	536,118	--	538,262	--
Investment Earnings	9,380	16,621	8,130	11,433
Other Revenues	60,693	1,047	20,081	--
Transfers	246,000	(246,000)	246,000	(246,000)
Total Revenues	6,103,174	3,735,892	6,028,135	3,706,178
<u>Expenses</u>				
General Government	1,653,041	--	1,573,050	--
Public Safety	898,991	--	887,004	--
Public Works	389,217	--	403,123	--
Parks and Open Space	490,668	--	429,307	--
Community Development	419,343	--	414,407	--
Festivals and Programs	228,883	--	82,671	--
Administration	627,148	--	345,974	--
Flood Recovery	--	--	109,837	--
Other	--	--	300	--
Interest on Long-Term Debt	110,865	133,456	109,631	141,026
Water	--	1,712,107	--	884,650
Sewer	--	744,856	--	674,162
Trash	--	302,770	--	285,643
Total Expenses	4,818,156	2,893,189	4,355,304	1,985,481
Increase in Net Position	\$ 1,285,018	\$ 842,703	\$ 1,672,831	\$ 1,720,697

Governmental Activities. Governmental activities increased the Town's Net Position by \$1,285,018 in 2015. Key elements of this increase are as follows:

- Total revenues increased approximately 1% as a result of increased property and severance tax revenue, building permit fees, and an increase in sales and use taxes.
- Expenses increased approximately 10% from the previous year, from increased services, and the contribution to the athletic complex.

Business-Type Activities. Business-type activities (i.e. utility services) increased the Town's net position by \$842,703 in 2015. 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, 2015, the total fund balances of the Town's Governmental Funds were \$4,331,039. Approximately 76% 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 - \$796,770; a state-constitution mandated emergency reserve - \$109,499; a Reserve for streets \$106,693; Grant Funds assigned for specific projects - \$219,920, Impact fee funds earmarked for specific project types - \$309,368, and funds assigned to Capital Projects - \$629,081.

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 \$2,269,207 as of December 31, 2015, and increased \$84,609 over 2015.
2. **Capital Projects.** The Capital Projects Fund accounts for the accumulation of funds for the Town's capital projects. The fund balance at December 31, 2015 was \$629,081, all of which is assigned for Capital Projects.
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, 2015 was \$219,920, 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, 2015 is \$19,827,496. Net position increased by \$450,759 during the year as a result of increased tap fees from new construction and a general increase in revenues from new customer growth. Significant engineering and legal costs were incurred in addressing the reverse osmosis treatment facility as discussed in Note 9.
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, 2015 is \$6,406,411. Net position increased by \$391,204 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	\$ 2,184,598	\$ 2,184,598
Revenue and Transfers In	4,047,591	4,176,021
Expenditures and Transfers Out	(4,470,463)	(4,091,412)
Ending Fund Balance	\$ 1,761,726	\$ 2,269,207

The 2015 budget was amended during the year as part of the process of preparing the budget for 2016. At that time, updated estimates were made for all revenues and expenses and these revised estimates were adopted as the amended budget for 2015 at the end of the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At the end of the year, the Town's net investment in capital assets amounted to \$36,208,677. This investment in capital assets consists of land, infrastructure, utility distribution systems, property and equipment, net of accumulated depreciation.

Long-Term Debt. At December 31, 2015, the Town had \$3,754,902 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 (\$1,665,000), which is funded through a property tax levy, and outstanding Sales Tax Bonds (\$720,000) related to the installation of the signal light at Highways 60 and 257 at the entrance to Town. The remaining payment on a capital lease for vehicles (\$6,970) and Accrued Compensated Absences (Vacation, Sick, and Compensatory Time - \$108,086) 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, 2015	Governmental Activities	Business- Type Activities	Total	Milliken Housing Authority
<u>ASSETS</u>				
Total Cash and Cash Equivalents	\$ 4,196,669	\$ 8,123,079	\$ 12,319,748	\$ 37,625
Receivables:				
Property taxes	2,519,701	-	2,519,701	-
Utility accounts	-	620,100	620,100	-
Other	266,262	-	266,262	270,268
Internal Balances	29,587	-	29,587	-
Prepaid Items	-	31,053	31,053	-
Capital Assets:				
Land and water rights	1,320,351	11,333,556	12,653,907	-
Depreciable	12,896,279	8,909,411	21,805,690	-
Construction in progress	202,829	1,546,251	1,749,080	-
Notes Receivable	-	-	-	1,526,235
Net Pension Asset	112,857	-	112,857	-
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Plan	50,449	-	50,449	-
Total Assets and Deferred Outflows	21,594,984	30,563,450	52,158,434	1,834,128
<u>LIABILITIES</u>				
Accounts Payable	195,174	478,861	674,035	-
Accrued Expenses	84,899	20,265	105,164	-
Internal Balances	29,587	-	29,587	-
Accrued Interest Payable	-	44,356	44,356	-
Long-Term Debt:				
Deposits payable	46,825	15,522	62,347	-
Compensated Absences	108,086	-	108,086	-
Due within one year	191,970	325,370	517,340	-
Due in more than one year	2,200,000	3,429,532	5,629,532	-
Total Liabilities	2,856,541	4,313,906	7,170,447	-
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Property Taxes	2,324,695	-	2,324,695	-
<u>NET POSITION</u>				
Net Investment in Capital Assets	11,919,403	18,034,316	29,953,719	-
Restricted for:				
TABOR emergencies	109,499	-	109,499	-
Debt service	796,770	-	796,770	-
Streets	106,693	-	106,693	-
Capital improvements	-	6,333,071	6,333,071	-
Unrestricted	3,481,383	1,882,157	5,363,540	1,834,128
TOTAL NET POSITION	\$16,413,748	\$ 26,249,544	\$ 42,663,292	\$ 1,834,128

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2015	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Contributions
Functions/Programs:				
Governmental Activities:				
General government	\$1,653,041	\$ 339,876	\$ 605,145	\$ -
Public safety	898,991	40,207	-	-
Public works	389,217	-	207,381	-
Parks and open space	490,668	-	55,867	-
Community development	419,343	-	-	-
Festivals and programs	228,883	-	-	-
Administration	627,148	-	-	-
Flood recovery	-	-	92,555	-
Other	-	-	-	-
Interest on long-term debt	110,865	-	-	-
Total Governmental Activities	4,818,156	380,083	960,948	-
Business-Type Activities:				
Water	1,712,107	1,551,847	-	750,060
Sewer	744,856	1,019,807	-	318,000
Trash	302,770	324,510	-	-
Interest on long-term debt	133,456	-	-	-
Total Business-Type Activities	2,893,189	2,896,164	-	1,068,060
TOTAL PRIMARY GOVERNMENT	\$7,711,345	\$3,276,247	\$ 960,948	\$ 1,068,060
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

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business- Type Activities	Total	Milliken Housing Authority
\$ (708,020)	\$ -	\$ (708,020)	\$ -
(858,784)	-	(858,784)	-
(181,836)	-	(181,836)	-
(434,801)	-	(434,801)	-
(419,343)	-	(419,343)	-
(228,883)	-	(228,883)	-
(627,148)	-	(627,148)	(63)
92,555	-	92,555	-
-	-	-	-
(110,865)	-	(110,865)	-
(3,477,125)	-	(3,477,125)	(63)
-	589,800	589,800	-
-	592,951	592,951	-
-	21,740	21,740	-
-	(133,456)	(133,456)	-
-	1,071,035	1,071,035	-
(3,477,125)	1,071,035	(2,406,090)	
\$ -	\$ -	\$ -	\$ (63)
2,218,766	-	2,218,766	-
165,426	-	165,426	-
1,214,161	-	1,214,161	-
311,599	-	311,599	-
536,118	-	536,118	-
9,380	16,621	26,001	10,713
60,693	1,047	61,740	-
246,000	(246,000)	-	-
4,762,143	(228,332)	4,533,811	10,713
1,285,018	842,703	2,127,721	10,713
15,128,730	25,406,841	40,535,571	1,823,478
\$16,413,748	\$26,249,544	\$42,663,292	\$ 1,834,191

**TOWN OF MILLIKEN, COLORADO
GOVERNMENTAL FUNDS**

BALANCE SHEET

December 31, 2015	General Fund	Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash	\$ 2,364,709	\$ -	\$ 630,081	\$ 1,201,879	\$ 4,196,669
Receivables	2,272,323	266,262	-	247,378	2,785,963
Due From Other Funds	29,587	-	-	-	29,587
Total Assets	\$ 4,666,619	\$ 266,262	\$ 630,081	\$ 1,449,257	\$ 7,012,219
LIABILITIES					
Accounts Payable	\$ 127,453	\$ 16,755	\$ 1,000	\$ 49,966	\$ 195,174
Accrued Expenses	84,899	-	-	-	84,899
Deposits Payable	46,825	-	-	-	46,825
Due To Other Funds	-	29,587	-	-	29,587
Total Liabilities	259,177	46,342	1,000	49,966	356,485
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	2,138,235	-	-	186,460	2,324,695
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	796,770	796,770
TABOR emergencies	109,499	-	-	-	109,499
Streets	-	-	-	106,693	106,693
Assigned	102,000	219,920	629,081	309,368	1,260,369
Unassigned	2,057,708	-	-	-	2,057,708
Total Fund Balances	2,269,207	219,920	629,081	1,212,831	4,331,039
TOTAL LIABILITIES, DEFERRALS AND FUND BALANCES					
	\$ 4,666,619	\$ 266,262	\$ 630,081	\$ 1,449,257	
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					14,419,459
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds					(2,500,056)
Net Pension Asset					112,857
Deferred Outflows of resources related to pensions					50,449
Net Position of Governmental Activities					\$ 16,413,748

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, 2015	General Fund	Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenue:					
Taxes and fees	\$ 3,553,659	\$ -	\$ -	\$ 892,411	\$ 4,446,070
Licenses and permits	339,876	-	-	-	339,876
Intergovernmental	27,545	-	-	235,703	263,248
Fines and forfeitures	40,207	-	-	-	40,207
Grants and contributions	66,891	463,254	75,000	-	605,145
Investment earnings	6,817	-	-	2,563	9,380
Miscellaneous	60,693	-	-	-	60,693
Flood recovery	80,333	12,222	-	-	92,555
Total Revenue	4,176,021	475,476	75,000	1,130,677	5,857,174
Expenditures:					
General government	1,246,152	-	-	-	1,246,152
Public safety	815,901	-	-	-	815,901
Public works	354,638	-	-	-	354,638
Parks and open space	427,721	-	-	-	427,721
Community development	419,343	-	-	-	419,343
Festivals and programs	228,883	-	-	-	228,883
Administration	98,270	120,540	42,095	366,243	627,148
Other	-	-	-	-	-
Debt service	-	-	-	292,412	292,412
Capital outlay	59,068	515,874	636,873	38,568	1,250,383
Total Expenditures	3,649,976	636,414	678,968	697,223	5,662,581
Revenue Over (Under) Expenditures	526,045	(160,938)	(603,968)	433,454	194,593
Other Financing Sources (Uses):					
Operating transfers in	436,000	148,891	996,907	296,726	1,878,524
Operating transfers out	(877,436)	-	(70,000)	(685,088)	(1,632,524)
Net Change in Fund Balances	84,609	(12,047)	322,939	45,092	440,593
Fund Balance, January 1	2,184,598	231,967	306,142	1,167,739	3,890,446
Fund Balance, December 31	\$ 2,269,207	\$ 219,920	\$ 629,081	\$ 1,212,831	\$ 4,331,039

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 \$ 440,593

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. 666,142

The issuance of long-term debt 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 position. This
amount is the net effect of these differences. 181,547

Increase in compensated absences liability, which does not require cash. (12,550)

The General Fund reports Town police pension contributions as expenditures.
However, in the statement of activities, the cost of pension benefits
earned is reported as pension expense. 9,286

Change in Net Position of Governmental Activities \$ 1,285,018

See Accompanying Notes to Financial Statements.

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

STATEMENT OF NET POSITION

December 31, 2015	Water Fund	Sewer Fund	Trash Fund	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash	\$ 4,574,368	\$ 3,535,591	\$ 13,120	\$ 8,123,079
Accounts receivable	406,674	186,010	27,416	620,100
Prepaid items	31,053	-	-	31,053
Due from other funds	-	-	-	-
Total Current Assets	5,012,095	3,721,601	40,536	8,774,232
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	6,170,185	10,211,200	-	16,381,385
Equipment and vehicles	460,932	132,869	-	593,801
	18,305,861	10,403,860	-	28,709,721
Accumulated depreciation	(3,861,007)	(4,605,747)	-	(8,466,754)
Construction in progress	1,490,281	55,970	-	1,546,251
Total Capital Assets	15,935,135	5,854,083	-	21,789,218
Total Assets	20,947,230	9,575,684	40,536	30,563,450
LIABILITIES				
Current Liabilities:				
Accounts payable	389,329	64,633	24,899	478,861
Accrued interest payable	2,774	41,582	-	44,356
Accrued expenses	17,013	3,252	-	20,265
Current portion of long-term liabilities	19,302	306,068	-	325,370
Total Current Liabilities	428,418	415,535	24,899	868,852
Long-Term Liabilities:				
Long-term loans	691,316	2,738,216	-	3,429,532
Deposits payable	-	15,522	-	15,522
Total Long-Term Liabilities	691,316	2,753,738	-	3,445,054
Total Liabilities	1,119,734	3,169,273	24,899	4,313,906
NET POSITION				
Net Investment in Capital Assets	15,224,517	2,809,799	-	18,034,316
Restricted	4,267,318	2,065,753	-	6,333,071
Unrestricted	335,661	1,530,859	15,637	1,882,157
TOTAL NET POSITION	\$ 19,827,496	\$ 6,406,411	\$ 15,637	\$26,249,544

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, 2015	Water Fund	Sewer Fund	Trash Fund	Total
Operating Revenue - charges for services	\$ 1,551,847	\$1,019,807	\$324,510	\$ 2,896,164
Operating Expenses:				
Personnel	67,922	127,193	-	195,115
Supplies	43,926	23,396	-	67,322
Contractual services	246,820	34,793	302,770	584,383
Communications	7,834	9,852	-	17,686
Utilities	33,681	101,337	-	135,018
Operations and maintenance	39,062	81,338	-	120,400
Insurance	7,298	13,706	-	21,004
Water treatment, assessments and penalties	1,007,114	-	-	1,007,114
Other	19,496	31,032	-	50,528
Depreciation	238,954	322,209	-	561,163
Total Operating Expenses	1,712,107	744,856	302,770	2,759,733
Operating Income (Loss)	(160,260)	274,951	21,740	136,431
Nonoperating Revenue (Expenses):				
Investment earnings	10,298	6,323	-	16,621
Interest expense	(34,339)	(99,117)	-	(133,456)
Miscellaneous	-	1,047	-	1,047
Net Nonoperating Expense	(24,041)	(91,747)	-	(115,788)
Income Before Contributions and Operating Transfers	(184,301)	183,204	21,740	20,643
Capital Investment Fees	750,060	318,000	-	1,068,060
Operating Transfers In (Out)	(115,000)	(110,000)	(21,000)	(246,000)
Change in Net Position	450,759	391,204	740	842,703
Fund Net Position, January 1	19,376,737	6,015,207	14,897	25,406,841
Fund Net Position, December 31	\$19,827,496	\$6,406,411	\$ 15,637	\$26,249,544

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

Year Ended December 31, 2015	Water Fund	Sewer Fund	Trash Fund	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 1,580,648	\$ 1,033,660	\$ 321,993	\$ 2,936,301
Cash payments:				
To suppliers for goods and services	(1,398,492)	(233,023)	(300,906)	(1,932,421)
To employees for services	(67,922)	(127,193)	-	(195,115)
Net Cash Provided by Operating Activities	114,234	673,444	21,087	808,765
Cash Flows from Noncapital Financing Activities:				
Increase (decrease) in due to other funds	-	-	-	-
Operating Transfer Out - General Fund	(115,000)	(110,000)	(21,000)	(246,000)
Other	-	1,047	-	1,047
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(115,000)	(108,953)	(21,000)	(244,953)
Cash Flows from Capital and Related Financing Activities:				
Acquisition of equipment and plant	(1,093,099)	(51,597)	-	(1,144,696)
Debt principal reduction	(18,416)	(300,603)	-	(319,019)
Interest paid on debt	(34,339)	(107,598)	-	(141,937)
Capital investment fees	750,060	318,000	-	1,068,060
Cash-In-Lieu	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(395,794)	(141,798)	-	(537,592)
Cash Flows from Investing Activities:				
Interest	10,298	6,323	-	16,621
Net Cash Provided by Investing Activities	10,298	6,323	-	16,621
Net Increase (Decrease) in Cash	(386,262)	429,016	87	42,841
Cash and Cash Equivalents, January 1	4,960,630	3,106,575	13,033	8,080,238
Cash and Cash Equivalents, December 31	\$ 4,574,368	\$ 3,535,591	\$ 13,120	\$ 8,123,079
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:				
Operating Income (loss)	\$ (160,260)	\$ 274,951	\$ 21,740	\$ 136,431
Depreciation	238,954	322,209	-	561,163
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	28,801	13,853	(2,517)	40,137
Prepaid items	(4,670)	-	-	(4,670)
Increase (decrease) in:				
Accounts payable	4,626	61,814	1,864	68,304
Accrued expenses	6,783	617	-	7,400
Net Cash Provided by Operating Activities	\$ 114,234	\$ 673,444	\$ 21,087	\$ 808,765

See Accompanying Notes to Financial Statements.

TOWN OF MILLIKEN, COLORADO

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 Position 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.

TOWN OF MILLIKEN, COLORADO

NOTES TO 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 receipt and spending of the proceeds of state, federal and private grants including any matching funds provided by the Town.

The *Capital Projects Fund* accounts for resources that are restricted, committed or assigned for capital outlay.

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.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

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 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 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.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

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 position. 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, 2015 are \$109,499.

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.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

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 2015 are recorded as taxes receivable and deferred revenue as of December 31, 2015. The original January 1, 2015 levy for the General Fund and Debt Service Fund of the Town was 28.623 mills and 2.496 mills, respectively, or approximately \$2.1 million and \$0.2 million, respectively. Of the General Fund levy, \$96,726 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, Trash, and Street Funds.

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.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

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 Town, 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, 2015, the Town had \$3,586,878 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.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Capital Assets:

Governmental Activities	Balance, 1/1/15	Additions	Deletions	Transfers	Balance, 12/31/15
Not Depreciable:					
Land	\$ 1,347,274	\$ --	\$ 26,923	\$ --	\$ 1,320,351
Construction in progress	270,789	1,151,373	--	(1,219,333)	202,829
Depreciable:					
Buildings and improvements	4,826,964	--	--	156,378	4,983,342
Infrastructure	11,670,208	--	--	1,056,955	12,727,163
Equipment and vehicles	1,582,104	55,132	--	6,000	1,643,236
Total Cost	\$ 19,697,339	\$ 1,206,505	\$ 26,923	\$ --	\$ 20,876,921
Less Accumulated Depreciation:					
Buildings and improvements	\$ 805,441	\$ 106,775	\$ --	\$ --	\$ 912,216
Infrastructure	3,854,649	359,114	--	--	4,213,763
Equipment and vehicles	1,257,009	74,474	--	--	1,331,483
Total Accumulated Depreciation	5,917,099	540,363	--	--	6,457,462
Capital Assets, Net	\$ 13,780,240	\$ 666,142	\$ 26,923	\$ --	\$14,419,459

Depreciation expense is allocated as follows:

General Governmental Activities	\$ 359,747
Public Safety	83,090
Public Works	34,579
Parks and Recreation	62,947
	\$ 540,363

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Capital Assets – Continued:

Business-Type Activities	Balance, 1/1/15	Additions	Deletions	Transfers	Balance, 12/31/15
Not Depreciable:					
Land and improvements	\$ 59,791	\$ --	\$ --	\$ --	\$ 59,791
Water rights	11,273,765	--	--	--	11,273,765
Construction in progress	36,886	1,515,925	--	(6,560)	1,546,251
Depreciable:					
Buildings and improvements	400,979	--	--	--	400,979
Distribution/collection system	16,374,825	--	--	6,560	16,381,385
Equipment and vehicles	593,801	--	--	--	593,801
Total Cost	\$ 28,740,047	1,515,925	--	--	\$ 30,255,972
Less Accumulated Depreciation:					
Buildings and improvements	80,043	8,019	--	--	88,062
Distribution/collection system	7,268,834	543,004	--	--	7,811,838
Equipment and vehicles	556,714	10,140	--	--	566,854
Total Accumulated Depreciation	7,905,591	561,163	--	--	8,466,754
Capital Assets, Net	\$ 20,834,456	\$ 954,762	\$ --	\$ --	\$ 21,789,218

Depreciation expense is allocated as follows:

Water Fund	\$ 238,954
Sewer Fund	322,209
	\$ 561,163

NOTE 4 - Water and Sewer Debt:

December 31	2015
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.)	\$ 3,044,284
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.)	710,618
Total Water and Sewer Debt	\$ 3,754,902

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - Water and Sewer Debt – Continued:

The annual requirements to amortize these loans as of December 31, 2015 are as follows:

Year Ending December 31	Principal	Interest	Total
2016	\$ 325,370	\$ 128,726	\$ 454,096
2017	331,763	125,126	456,889
2018	338,201	119,734	457,935
2019	344,686	109,415	454,101
2020	356,685	101,127	457,812
2021 – 2025	1,588,174	293,479	1,881,653
2026 – 2030	169,895	94,245	264,140
2031 – 2035	214,841	49,298	264,139
2036 – 2037	85,287	4,568	89,855
	\$ 3,754,902	\$ 1,025,718	\$ 4,780,620

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

	Balance, 1/1/15	Additions	Retirements	Balance, 12/31/15	Due Within One Year
USDA Loan – Water	\$ 729,034	\$ --	\$ 18,416	\$ 710,618	\$ 19,302
CWRPDA Loan – Sewer	3,344,887		300,603	3,044,284	306,068
	\$ 4,073,921	\$ --	\$ 319,019	\$ 3,754,902	\$ 325,370

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, 2015. 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%.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

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, 2015.

Year Ending December 31	Amount
2016	\$ 302,720
2017	292,675
2018	299,755
2019	301,130
2020	290,828
2021-2025	1,247,585
2026-2027	368,127
Total minimum payments	3,102,820
Less: Amount representing interest	710,850
Present value of future payments	\$ 2,391,970

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

	Balance, 1/1/15	Additions	Retirements	Balance, 12/31/15	Due Within One Year
Sales Tax Bonds	\$ 795,000	\$ --	\$ 75,000	\$ 720,000	\$ 75,000
G.O. Bonds	1,765,000	--	100,000	1,665,000	110,000
Capital Lease	13,517	--	6,547	6,970	6,970
Compensated Absences	95,536	152,350	139,800	108,086	--
	\$2,669,053	\$ 152,350	\$ 321,347	\$ 2,500,056	\$ 191,970

NOTE 6 – SWDB Plan:

The Town of Milliken police participate in the Statewide Defined Benefit (SWDB) Plan, a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (FPPA). The net pension asset, 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 SWDB 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 the benefit terms. Investments are reported at fair value.

Plan description: Eligible employees of the Town are provided with pensions through the SWDB Plan - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SWDB Plan – Continued:

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

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

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

Contributions: The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by State statute. Member contribution rates can be amended by State statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approval by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SWDB Plan – Continued:

Employer contributions are recognized by the SWDB Plan in the period in which the compensation becomes payable to the member and the Town of Milliken is statutorily committed to pay the contributions to the SWDB Plan. Employer contributions recognized by the SWDB Plan from the Town were \$43,875 for the year ended December 31, 2015.

At December 31, 2015, the Town reported an asset of \$112,857 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. The Town proportion of the net pension asset was based on Town contributions to the SWDB for the calendar year 2014 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2014, the Town proportion was .1 percent, which was approximately the same as its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the Town recognized pension expense of \$17,828. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2015	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 2,324
Net difference between projected and actual earnings on pension plan investments	8,898	--
Contributions subsequent to the measurement date	43,875	--
Total	\$ 52,773	\$ 2,324

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SWDB Plan – Continued:

Deferred outflows of resources related to pensions of \$43,875, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Amount
2016	\$ 1,643
2017	1,643
2018	1,644
2019	1,644
	\$ 6,574

Actuarial assumptions: The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial method	Entry age normal
Amortization method	Level % of payroll, open
Amortization period	30 years
Asset valuation method	5-year smoothed fair value
Salary increases, including wage inflation at 3%	4.0 – 14.0 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.5 percent
Cost of living adjustment	0.0 percent

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SWDB Plan – Continued:

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

The Plan's 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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, the target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	6.5%
Absolute Return	12%	5.5%
Managed Futures	4%	5.5%
Cash	1%	2.5%
Total	100%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.5 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at the actuarially recommended rates.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – SWDB Plan – Continued:

Sensitivity of the Town of Milliken’s proportionate share of the net pension asset to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

December 31, 2015	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset	\$ (106,403)	\$ 112,857	\$ 295,750

Pension plan fiduciary net position: Detailed information about the SWDB’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.cofppa.org.

NOTE 7 - 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, 2015, the Town and employee contributions were \$64,812 and \$43,208, respectively, equal to the required contributions.

NOTE 8 - 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.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - Colorado Intergovernmental Risk Sharing Agency (CIRSA): - Continued

The Town recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Town paid \$138,035 to CIRSA in 2015, including \$39,794 for workers compensation coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 9 - 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.

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 2016.

TOWN OF MILLIKEN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Contingencies – Continued:

The financial implications of these events are many, however, as of the date of this report, a proposed penalty assessment has been estimated at \$173,695. This amount has been included in accounts payable at December 31, 2015.

In addition, the Town will potentially expend several hundred thousand dollars for water treatment in 2016, 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 10 – 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, 2015. The other note carries an interest rate of 5.0% and a balance of \$39,043 at December 31, 2014. All of the notes mature in December 2046, when all of the principal and accrued interest will be due. As of December 31, 2015, there was accrued interest of \$270,268, included in Other Receivables in the accompanying Statement of Net Position.

NOTE 11 – Restatement of Beginning Net Position:

As of January 1, 2015, the Town has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension asset and deferred outflows of resources related to contributions made after the measurement date.

The adjustment to the beginning balance of net position is as follows:

Net position – December 31, 2014, as previously reported	\$ 40,398,312
Restatement due to implementation of GASB Statement No. 68	137,259
Net position – December 31, 2014, as restated	\$ 40,535,571

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, 2015	Actual	Original Budget	Amended Budget	Variance
Revenue:				
Taxes and fees	\$3,553,659	\$ 3,401,230	\$3,487,811	\$ 65,848
Licenses and permits	339,876	345,850	298,470	41,406
Intergovernmental	27,545	78,000	26,000	1,545
Fines and forfeitures	40,207	41,000	41,500	(1,293)
Grants and contributions	66,891	13,000	59,699	7,192
Investment earnings	6,817	5,250	4,300	2,517
Miscellaneous	60,693	8,900	53,125	7,568
Flood recovery	80,333	-	76,686	3,647
Total Revenue	4,176,021	3,893,230	4,047,591	128,430
Expenditures:				
General government	1,246,152	1,433,469	1,428,859	182,707
Public safety	815,901	892,090	880,221	64,320
Public works	354,638	437,047	413,902	59,264
Parks and open space	427,721	468,239	465,639	37,918
Community development	419,343	435,294	458,707	39,364
Festivals and programs	228,883	60,300	226,910	(1,973)
Administration	98,270	105,578	94,400	(3,870)
Flood recovery	-	-	-	-
Capital outlay	59,068	45,000	60,389	(1,321)
Total Expenditures	3,649,976	3,877,017	4,029,027	376,409
Revenue Over (Under) Expenditures	526,045	16,213	18,564	507,481
Other Financing Sources (Uses):				
Operating transfers in (out)	(441,436)	(390,925)	(441,436)	-
Net Change in Fund Balances	84,609	(374,712)	(422,872)	507,481
Fund Balance, January 1	2,184,598	2,184,598	2,184,598	-
Fund Balance, December 31	\$2,269,207	\$ 1,418,961	\$1,761,726	\$ 507,481

**TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
GRANTS FUND**

Schedule of Revenue and Transfers Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Intergovernmental	\$ 475,476	\$ 538,639	\$ (63,163)
Transfers In:			
General Fund	8,891	8,891	-
Conservation Trust Fund	-	-	-
Capital Improvement Fund	70,000	70,000	-
Impact Fee Fund	70,000	70,000	-
Total Revenue and Transfers In	\$ 624,367	\$ 687,530	\$ (63,163)

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2015	Actual	Original Budget	Final Budget	Variance From Final Budget
Professional services	\$ 120,540	\$ -	\$ 126,939	\$ 6,399
Capital outlay	515,874	1,156,202	539,933	24,059
Total Expenditures	\$ 636,414	\$ 1,156,202	\$ 666,872	\$ 30,458

TOWN OF MILLIKEN, COLORADO

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF NET PENSION ASSET - STATEWIDE DEFINED BENEFIT PLAN**

Year Ended December 31	Cumulative Proportion of Net Pension Asset	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Asset
2015	0.1%	\$ 112,857	\$ 548,437	21%	107%

Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF MILLIKEN, COLORADO

**SCHEDULE OF EMPLOYER CONTRIBUTIONS -
STATEWIDE DEFINED BENEFIT PLAN**

Year Ended December 31	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2015	\$ 43,875	\$ 43,875	\$ 548,437	8.0%

Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

ADDITIONAL INFORMATION

TOWN OF MILLIKEN, COLORADO
DEBT SERVICE FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Property Taxes	\$ 172,509	\$ 180,466	\$ (7,957)
Sales and Use Taxes	242,808	217,473	25,335
Interest	1,614	-	1,614
Total Revenue	\$ 416,931	\$ 397,939	\$ 18,992

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2015	Actual	Original Budget	Final Budget	Variance from Final Budget
Debt Service:				
Principal	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
Interest	117,413	117,413	117,413	-
Fees	300	600	-	300
Total Expenditures - Debt Service	\$ 292,713	\$ 293,013	\$ 292,413	\$ 300

TOWN OF MILLIKEN, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2015	Conservation Trust Fund	Impact Fee Fund	Street Fund	Oil & Gas 5.5% Exempt Fund	Debt Service Fund	Total
<u>ASSETS</u>						
Cash	\$ -	\$ 282,608	\$ 140,720	\$ -	\$ 778,551	\$ 1,201,879
Receivables	-	26,760	15,639	-	204,979	247,378
Due from Other Funds	-	-	-	-	-	-
TOTAL ASSETS	-	309,368	156,359	-	983,530	1,449,257
<u>LIABILITIES</u>						
Accounts Payable	-	-	49,666	-	300	49,966
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	49,666	-	300	49,966
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Property Taxes	-	-	-	-	186,460	186,460
<u>FUND BALANCES</u>						
Restricted	-	-	106,693	-	796,770	903,463
Assigned	-	309,368	-	-	-	309,368
Total Fund Balances	-	309,368	106,693	-	796,770	1,212,831
TOTAL LIABILITIES AND						
FUND BALANCES	\$ -	\$ 309,368	\$ 156,359	\$ -	\$ 983,530	\$ 1,449,257

**TOWN OF MILLIKEN, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2015	Conservation Trust Fund	Impact Fee Fund	Street Fund	Oil & Gas 5.5% Exempt Fund	Debt Service Fund	Total
Operating Revenue:						
Taxes	\$ -	\$ -	\$ 68,769	\$ 96,726	\$ 415,317	\$ 580,812
Impact fees	-	311,599	-	-	-	311,599
Intergovernmental	28,322	-	207,381	-	-	235,703
Grants and contributions	-	-	-	-	-	-
Interest	144	805	-	-	1,614	2,563
Total Operating Revenue	28,466	312,404	276,150	96,726	416,931	1,130,677
Expenditures:						
Administration	-	-	365,943	-	300	366,243
Debt service	-	-	-	-	292,412	292,412
Capital outlay	-	38,568	-	-	-	38,568
Total Expenditures	-	38,568	365,943	-	292,712	697,223
Revenue Over (Under) Expenditures	28,466	273,836	(89,793)	96,726	124,219	433,454
Operating Transfers In	-	-	296,726	-	-	296,726
Operating Transfers Out	(63,362)	(335,000)	(190,000)	(96,726)	-	(685,088)
Net Change in Fund Balances	(34,896)	(61,164)	16,933	-	124,219	45,092
Fund Balance, January 1	34,896	370,532	89,760	-	672,551	1,167,739
Fund Balance, December 31	\$ -	\$ 309,368	\$ 106,693	\$ -	\$ 796,770	\$1,212,831

**TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
CONSERVATION TRUST FUND**

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Intergovernmental	\$ 28,322	\$ 30,000	\$ (1,678)
Interest	145	100	45
Total Revenue	\$ 28,467	\$ 30,100	\$ (1,633)

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2015	Actual	Original and Final Budget	Variance From Final Budget
Transfer Out - Grants Fund	\$ 63,362	\$ 66,000	\$ 2,638
Total Expenditures and Transfers	\$ 63,362	\$ 66,000	\$ 2,638

TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
CAPITAL PROJECT FUND

Schedule of Revenue and Transfers Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Grants and contributions	\$ 75,000	\$ -	\$ 75,000
Transfer In - General Fund	996,907	999,545	(2,638)
Interest	-	-	-
Total Revenue and Transfers In	\$ 1,071,907	\$ 999,545	\$ 72,362

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2015	Actual	Original Budget	Final Budget	Variance From Final Budget
Capital Outlay	\$ 636,874	\$ 1,157,925	\$ 795,166	\$ 158,292
Other	42,095	-	37,823	(4,272)
Transfer Out - General Fund	70,000	-	70,000	-
Total Expenditures and Transfers Out	\$ 748,969	\$ 1,157,925	\$ 902,989	\$ 154,020

**TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
IMPACT FEE FUND**

Schedule of Revenue and Transfers Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Impact Fees	\$ 311,599	\$274,300	\$ 37,299
Earnings on deposit	805	-	805
Total Revenue and Transfers In	\$ 312,404	\$274,300	\$ 38,104

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2015	Actual	Original and Final Budget	Variance From Final Budget
Capital Outlay	\$ 38,568	\$ 11,008	\$ (27,560)
Transfer Out - General Fund	335,000	335,000	-
Total Expenditures and Transfers Out	\$ 373,568	\$346,008	\$ (27,560)

TOWN OF MILLIKEN, COLORADO
SPECIAL REVENUE FUNDS
STREET FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Sales Taxes	\$ -	\$ -	\$ -
County Road and Bridge	68,768	61,892	6,876
Highway Users Tax	207,382	197,741	9,641
Transfer in - 5.5% Exempt Fund	96,726	101,199	(4,473)
Transfer in - Impact Fee Fund	200,000	200,000	-
Interest	-	-	-
Total Revenue	\$ 572,876	\$560,832	\$ 12,044

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2015	Actual	Original Budget	Final Budget	Variance from Final Budget
Streets:				
Current operating:				
Maintenance	\$ 44,227	\$ 40,000	\$ 40,000	\$ (4,227)
Training	-	3,300	3,300	3,300
Capital outlay, patching, seal coating	321,716	349,000	275,000	(46,716)
Transfer out - General fund	190,000	190,000	190,000	-
Total Expenditures and Transfers - Streets	\$ 555,943	\$ 582,300	\$508,300	\$ (47,643)

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

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Property Taxes	\$ 96,726	\$ 101,199	\$ (4,473)
Total Revenue	\$ 96,726	\$ 101,199	\$ (4,473)

Schedule of Expenditures and Transfers Compared with Budget

Year Ended December 31, 2015	Actual	Original and Final Budget	Variance From Final Budget
Transfers Out: Street Fund	\$ 96,726	\$ 101,199	\$ 4,473
Total Expenditures and Transfers Out	\$ 96,726	\$ 101,199	\$ 4,473

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS - WATER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Operating Revenue:			
Water service fees	\$ 1,395,522	\$ 1,360,500	\$ 35,022
Lease	5,000	10,000	(5,000)
Nonoperating Revenue:			
Capital investment fee	750,060	720,000	30,060
Cash-in-lieu fee	82,500	-	82,500
Grants and contributions	18,790	-	18,790
Water meter purchase	24,475	22,000	2,475
Supplemental impact fee	6,966	6,480	486
Interest on delinquent accounts	18,594	18,000	594
Earnings on investments	10,298	5,500	4,798
Total Revenue	\$ 2,312,205	\$ 2,142,480	\$ 169,725

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

Year Ended December 31, 2015	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Personnel:				
Salaries	\$ 48,481	\$ 59,630	\$ 55,050	\$ 6,569
Employee benefits	19,441	24,394	21,215	1,774
Supplies	43,926	67,000	41,000	(2,926)
Contractual services	246,820	115,000	236,000	(10,820)
Utilities	33,681	74,300	18,300	(15,381)
Repairs and maintenance	39,062	74,200	48,700	9,638
Insurance	7,298	12,410	12,500	5,202
Water assessments	59,060	35,000	61,000	1,940
Communications	7,834	6,550	7,650	(184)
Treatment fees	789,859	625,000	829,000	39,141
CDPHE Penalty	158,195	-	158,195	-
Miscellaneous	19,496	11,750	13,250	(6,246)
Depreciation	238,954	265,000	265,000	26,046
Total Operating Expenses	1,712,107	1,370,234	1,766,860	54,753
Nonoperating Expenses:				
Capital outlay	1,459,955	3,500,000	1,430,000	(29,955)
Loan payments	52,755	52,828	52,828	73
Total Nonoperating Expenses	1,512,710	3,552,828	1,482,828	(29,882)
Operating Transfers Out - General Fund	115,000	115,000	115,000	-
Total Expenses and Transfers	\$ 3,339,817	\$ 5,038,062	\$ 3,364,688	\$ 24,871

TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS - SEWER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Operating Revenue:			
Sewer service charges	\$ 974,426	\$ 960,000	\$ 14,426
Miscellaneous	5,801	5,500	301
Nonoperating Revenue:			
Supplemental impact fee	14,689	14,160	529
Sewer tap fees	318,000	320,000	(2,000)
Flood grants reimbursement	7,344	-	7,344
Interest on delinquent accounts	18,594	18,000	594
Earnings on investments	6,323	3,500	2,823
Total Revenue	\$1,345,177	\$ 1,321,160	\$ 24,017

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

Year Ended December 31, 2015	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Personnel:				
Salaries	\$ 92,921	\$ 97,888	\$ 97,888	\$ 4,967
Employee benefits	34,274	40,298	40,298	6,024
Supplies	23,396	21,800	23,300	(96)
Contractual services	34,793	92,500	98,500	63,707
Utilities	101,337	83,970	83,970	(17,367)
Repairs and maintenance	81,338	133,150	12,500	(68,838)
Insurance	13,706	18,477	18,666	4,960
Communications	9,852	10,250	10,250	398
Other - penalty	15,500	-	15,500	-
Miscellaneous	15,532	11,000	20,550	5,018
Depreciation	322,100	325,000	325,000	2,900
Total Operating Expenses	744,749	834,333	746,422	1,673
Nonoperating Expenses:				
Loan payments	408,201	419,290	403,826	(4,375)
Capital outlay	55,970	967,600	70,000	14,030
Total Nonoperating Expenses	464,171	1,386,890	473,826	9,655
Operating Transfer Out - General Fund	110,000	110,000	110,000	-
Total Expenses and Transfers	\$1,318,920	\$2,331,223	\$ 1,330,248	\$ 11,328

**TOWN OF MILLIKEN, COLORADO
ENTERPRISE FUNDS - TRASH FUND**

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2015	Actual	Estimate	Variance
Operating Revenue - Trash collection fees	\$ 324,510	\$ 308,764	\$ 15,746
Total Revenue	\$ 324,510	\$ 308,764	\$ 15,746

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

Year Ended December 31, 2015	Actual	Budget	Variance
Operating Expenses:			
Supplies	\$ -	\$ -	\$ -
Contractual services	302,770	285,645	(17,125)
Total Operating Expenses	302,770	285,645	(17,125)
Nonoperating Expenses:			
Capital outlay	-	-	-
Operating Transfer Out - General Fund	21,000	21,000	-
Total Expenses and Transfers	\$ 323,770	\$ 306,645	\$ (17,125)

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 2015

This Information From The Records Of (example - City of _ or County of Town of Milliken)	Prepared By: Kent Brown Phone: (970) 660-5044
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
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ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	490,163
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	5,516
2. General fund appropriations		b. Snow and ice removal	27,310
3. Other local imposts (from page 2)	477,457	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	32,826
5. Transfers from toll facilities		4. General administration & miscellaneous	32,953
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	555,942
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	477,457	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	207,382	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	36,963
E. Total receipts (A.7 + B + C + D)	684,839	b. Redemption	75,000
		c. Total (a. + b.)	111,963
		3. Total (1.c + 2.c)	111,963
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	667,905

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
	89,759	684,839	667,905	106,693	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

City or County
Colorado
YEAR ENDING (mm/yy):
December 2015

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 Assesments	296,726	a. Interest on investments	
b. Other local imposts:		b. Other	0
1. Sales Taxes	111,963	c. Transfers	
2. Traffic Fines		d. Capital Credits	
3. Specific Ownership Tax	68,768	e. Sale of Assets	
4. Motor Vehicle Registration		f. Fees/Licenses/Permits	
5. From Cities/Counties	0	g. Service Performed	
6. Total (1. through 5.)	180,731	h. Refunds of Expenditures	
c. Total (a. + b.)	477,457	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	207,382	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 Registration	0	d. Mineral Leasing	
d. (Specify)		e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	207,382	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). Capacity Improvements			0
(2). System Preservation			0
(3). Safety And Other			0
(4). Total Construction (1)+(2)+(3)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	0	0
			(Carry forward to page 1)

Notes and Comments: