

TOWN OF MONUMENT, COLORADO

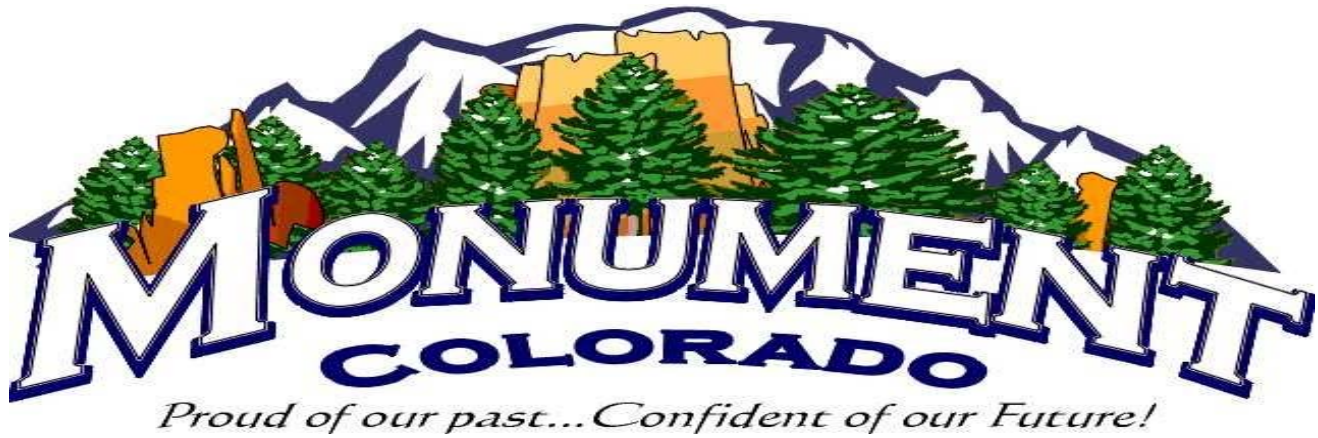
BASIC FINANCIAL STATEMENTS

December 31, 2014



Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INTRODUCTORY SECTION



TOWN OF MONUMENT, COLORADO
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

BOARD OF TRUSTEES

Mayor Rafael Dominguez
Mayor Pro Tem Jeffrey Kaiser
Trustee Jeffrey Bornstein
Trustee Kelly Elliot
Trustee Jeff Smith
Trustee John Howe
Trustee Becki Tooley

ADMINISTRATIVE STAFF

Pamela Smith – Town Manager
Pamela Smith – Acting Town Treasurer
Cynthia Sirochman – Town Clerk
Jacob Shirk – Chief of Police
Thomas Tharnish – Public Works Director
Mike Pesicka – Planning Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Town Council
Town of Monument
Monument, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Comparative Financial Information

The comparative financial information for the prior year has been presented in the accompanying financial statements in order to provide an analysis of changes in the Town's financial position and operations. However, complete comparative financial information has not been presented in accordance with generally accepted accounting principles since its inclusion would make the financial statements cumbersome and difficult to read. The comparative financial information was derived from the Town's financial statements for the year ended December 31, 2013, by which a report dated June 25, 2014 expressed an unmodified opinion.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary information on pages i – x and 26-27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules, and the state compliance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 of America. In our opinion, the combining and individual fund schedules and the state compliance are fairly stated in all material respects in relation to the financial statements as a whole.

Logan and Associates, LLC

Aurora, Colorado
July 21, 2014

2014 MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion and analysis of the Town of Monument's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the Town's financial statements. This report contains other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets of the Town of Monument exceeded its liabilities at the close of 2014 by \$19,449,638 (net position). Of this amount, \$2,120,160 (unrestricted net position) may be used for the Town's obligations to citizens and creditors.
- At December 31, 2014, the Town of Monument's governmental funds reported combined ending fund balances of \$2,824,651 an increase of \$113,436 in comparison with the prior year. \$664,580 of this total amount is available for spending at the Town's discretion (unreserved fund balance).
- The unreserved fund balance for the General Fund was \$664,580, or 23.5% of the total General Fund expenditures. This is a decrease of 25.4% from the prior year.
- Sales and use taxes revenue, the Town's largest source of revenue was \$3,554,420 for 2014 as compared to \$3,394,535 for the prior year, an increase of 4.7%. The key factor for this was an increase in commercial and residential development and a more robust economy in 2014.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the Town of Monument's basic financial statements. The Town of Monument's basic financial statements comprise three components:

- 1) the government-wide financial statements
- 2) fund financial statements
- 3) notes to the financial statements

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Monument's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Monument's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Monument is improving or deteriorating.

The *statement of activities* presents information showing how the Town of Monument's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town of Monument that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town of Monument include general government, public safety (law enforcement & court), public works (streets, parks and recreation, cemetery) and planning. The Business-type Activities of the Town of Monument include water.

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. The Town of Monument, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of cash, the governmental fund operations and the basic services it provides.

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 balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary fund – The *enterprise fund* of the proprietary fund type is used to report the same functions presented as *business-type activities* in the government-wide financial statements, but provide more detail and additional information, such as cash flow. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 25 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Monument's General Fund and 2A Water ASD Fund (major special revenue fund); actual versus budgetary expenditures and can be found on pages 26 through 27 of this report. The combining statements, referred to earlier in connection with non-major governmental and enterprise funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 28 through 35.

Financial Analysis of the Town as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. This is the 11th year the Town has reported using the GASB 34 model. Comparisons of 2013 to 2014 follow. In the case of the Town of Monument, assets exceeded liabilities by \$17,972,556 at the end of 2013 and at the end of 2014 by \$19,449,638 an increase in Total Net Position of \$1,477,082 or 8.2%.

Assets	2014	2013	2014	2013	2014	2013
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
Current and other assets	\$4,247,110	\$3,980,851	\$ 527,539	\$ 6,951	\$ 4,774,649	\$ 3,987,802
Capital assets, net	10,988,333	10,842,371	7,328,453	7,380,046	18,316,786	18,222,417
Total assets	<u>15,235,443</u>	<u>14,823,222</u>	<u>7,855,992</u>	<u>7,386,997</u>	<u>23,091,435</u>	<u>22,210,219</u>
Liabilities						
Long term liabilities	985,774	1,610,226	295,984	493,654	1,281,758	2,103,880
Other liabilities	1,357,764	1,174,363	307,175	263,657	1,664,939	1,438,020
Total liabilities	<u>2,343,538</u>	<u>2,784,589</u>	<u>603,159</u>	<u>757,311</u>	<u>2,946,697</u>	<u>3,541,900</u>
Deferred Inflow of Resources						
Deferred Property Tax Revenue	695,100	695,763	-	-	695,100	695,763
Net Position						
Net investment in capital assets	9,564,008	8,861,672	6,858,489	6,712,193	16,422,497	15,573,865
Restricted	215,172	182,000	691,809	-	906,981	182,000
Unrestricted	2,417,625	2,299,198	(297,465)	(82,507)	2,120,160	2,216,691
Total net position	<u>\$12,196,805</u>	<u>\$11,342,870</u>	<u>\$7,252,833</u>	<u>\$6,629,686</u>	<u>\$19,449,638</u>	<u>\$17,972,556</u>

The largest portion of the Town of Monument's net position (88%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town's investment in its 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. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

A small portion of the Town of Monument's net position (5%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,120,160, may be used to meet the Town's ongoing obligations to citizens and creditors.

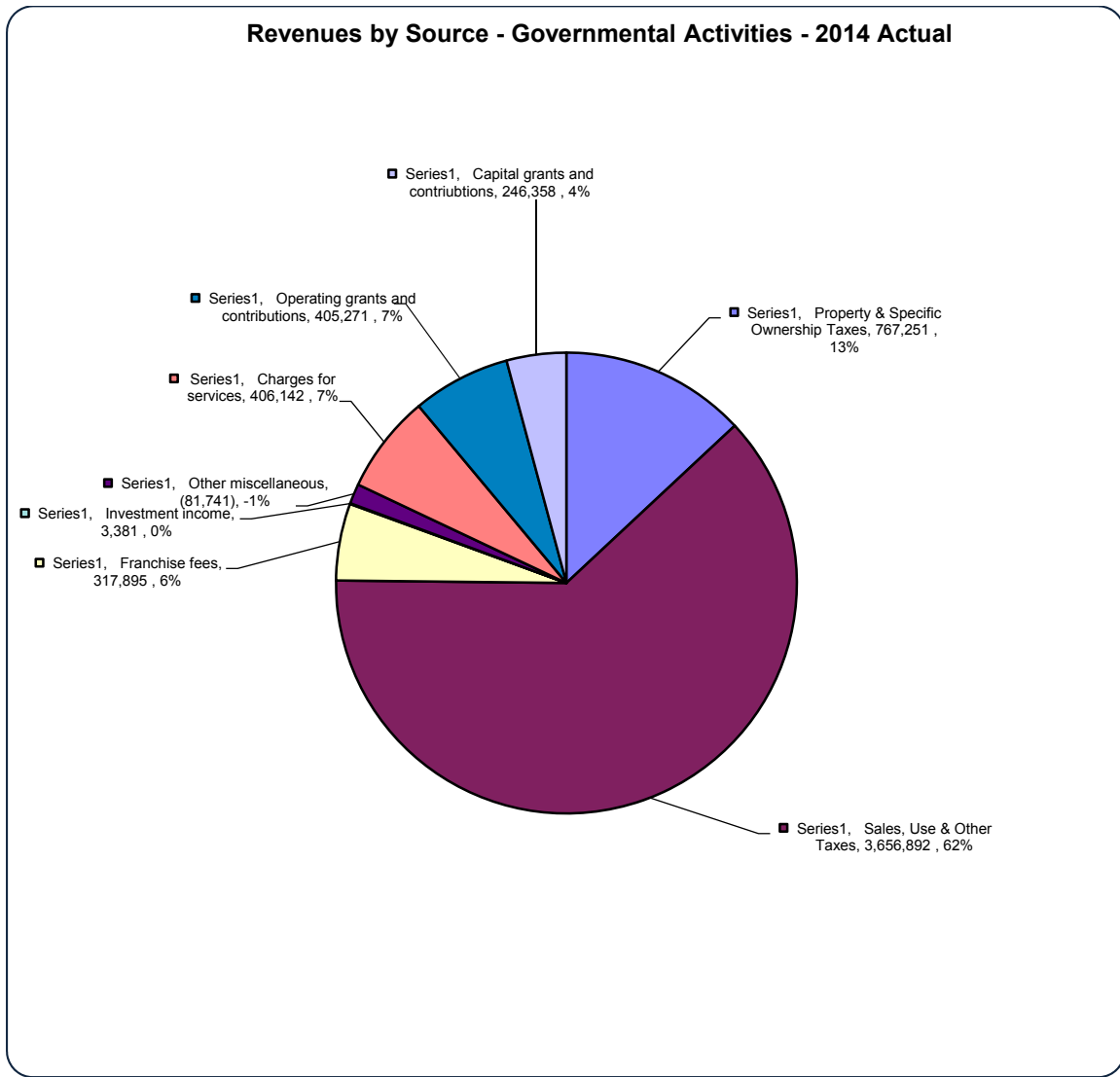
Changes in Net Position

The Town's net position increased \$1,477,082 during 2014. Governmental Activities reported an \$853,935 increase, with sales tax revenue and property taxes being the largest contributors.

<u>CHANGES IN NET POSITION</u>						
	2014 Governmental Type Activities	2013 Governmental Type Activities	2014 Business Type Activities	2013 Business Type Activities	2014 Total	2013 Total
Revenues:						
Program revenues:						
Charges for Services	\$406,142	\$295,430	\$898,902	\$800,240	\$1,305,044	\$1,095,670
Operating Grants & Contributions	405,271	152,110	-	-	405,271	152,110
Capital Grants & Contributions	246,358	44,903	810,000	108,000	1,056,358	152,903
General revenues:						
Property taxes	767,251	751,396	-	-	767,251	751,396
Sales taxes	3,447,413	3,302,992	107,007	91,543	3,554,420	3,394,535
Franchise taxes	317,895	315,714	-	-	317,895	315,714
Other Taxes	209,479	197,476	-	-	209,479	197,476
Investment income	3,381	4,227	813	284	4,194	4,511
Other Misc	6,500	-	1,776	13,853	8,276	13,853
Transfers	(88,241)	-	88,241	-	-	-
Total revenues	<u>5,721,449</u>	<u>5,064,248</u>	<u>1,906,739</u>	<u>1,013,920</u>	<u>7,628,188</u>	<u>6,078,168</u>
Program expenses:						
General government	1,776,664	1,726,414	-	-	1,776,664	1,726,414
Public safety	1,320,450	1,371,229	-	-	1,320,450	1,371,229
Public works, Parks & Recreation	1,699,069	1,413,693	-	-	1,699,069	1,413,693
Interest on long-term debt	71,331	127,246	34,471	17,867	105,802	145,113
Water	-	-	1,249,121	1,115,252	1,249,121	1,115,252
Total expenses	<u>4,867,514</u>	<u>4,638,582</u>	<u>1,283,592</u>	<u>1,133,119</u>	<u>6,151,106</u>	<u>5,771,701</u>
Increase (decrease) in net assets	853,935	425,666	623,147	(119,199)	1,477,082	306,467
Net assets 12/31/13	11,342,870	10,917,204	6,629,686	6,748,885	17,972,556	17,666,089
Net Assets 12/31/14	<u>\$12,196,805</u>	<u>\$11,342,870</u>	<u>\$7,252,833</u>	<u>\$6,629,686</u>	<u>\$19,449,638</u>	<u>\$17,972,556</u>

Governmental Activities

The following pie chart illustrates the governmental activities revenues.



Sales and use taxes are the Town's largest governmental activities revenue source at 62%. Property taxes are the second largest revenue source at 13% of the Town's revenue for governmental activities. Charges for services include planning, traffic impact and storm drainage impact fees and along with franchise fees comprise the third largest revenue source of the Town's governmental activities at 12%. The remaining interest income along with grants & contributions accounts for 13% of total revenues.

Business-type Activities

Charges for services account for 47% of the Town's revenue for business-type activities. Sales taxes account for 6% and the remaining interest income, grants & contributions and miscellaneous revenue accounts for 47% of total revenues.

Financial Analysis of the Town's Funds

The Town of Monument uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Significant balances and transactions for General Fund revenue include sales tax related to the development at Monument Marketplace, commercial and residential development, planning fees and increased franchise fees. Total revenues for the General Fund were \$4,826,760, which was \$53,650 over budget.

Significant balances and transactions for General Fund expenditures include \$98,933 on land and buildings; \$63,011 on furniture and equipment; \$93,520 on vehicles and street equipment; \$158,029 on park improvements and \$506,549 on street improvements. The CDOT grant match for the sidewalk project was \$101,855 for total capital outlay of \$1,021,897.

The Water Department spent \$28,733 on well repairs; \$2,393 on the Town's master water plan; \$59,788 on equipment; \$55,395 on transmission & distribution lines and \$14,390 on construction for total capital outlay of \$160,699.

The 2A Water ASD Fund spent \$88,241 for capital projects, which were contributed to the water enterprise fund.

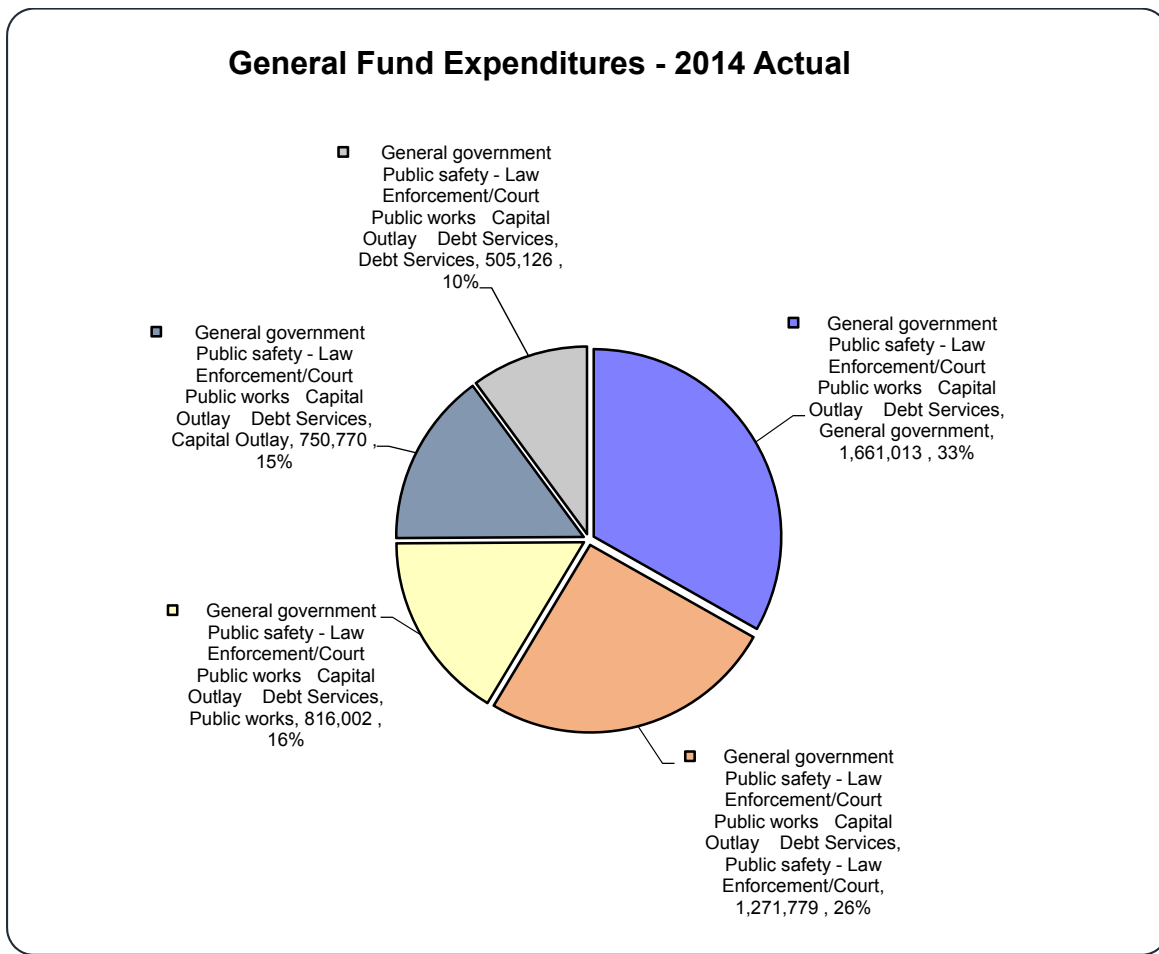
The Town Manager, in conjunction with the Department Heads, continued to analyze the Town's salary ranges to keep up with competitive rates, for non-exempt employees, for related size towns and job descriptions. We were able to give up to 4% Performance Based raises and had no layoffs in 2014. We were also able to restructure the Police pay for performance model to assist in retaining staff.

Water Fund revenue was more than Budget by \$606,829 due to a water storage fee escrow. Customer usage decreased \$6,198. Tap fee revenue in 2014 was \$135,000 that was \$25,000 less than budget. The Town is approaching build-out of residential properties that are the Town's responsibility, so this revenue stream will continue to be minimal. Water billing revenue was \$898,902 and Sales Tax Revenue was \$107,007.

Water Fund actual budgetary expenses were approximately \$65,858 below budget in 2014 due to decreased operations and maintenance funds being expended and deferring capital expenses.

General Fund Budgetary Highlights

The Board of Trustees must approve increases in the expenditure budget for any fund. Line item budget transfers are allowed within a fund with the approval of the Town Manager. The General Fund's budgeted expenditures and transfers out were \$5,567,194. Actual expenditures for 2014 were \$5,032,190 an amount favorable to budgeted expenditures of \$535,004. This positive variance was the result, in part, of salary savings on replacing the Treasurer in 2014; reduced Department expenditures and the Town's decision not to purchase all approved capital items. The following pie chart shows the distribution of expenses by program/function.



Capital Assets and Debt Administration

Capital Assets

The Town of Monument's investment in capital assets for its governmental and business-type activities as of December 31, 2014 totaled \$18,316,786 (net of accumulated depreciation). Water fund capital assets represent 40% of this total.

The capital projects for the Town's governmental activities consisted of expenditures to include \$98,933 on land and buildings; \$63,011 on furniture and equipment; \$93,520 on vehicles and street equipment; \$158,029 on park improvements and \$506,549 on street improvements. The CDOT grant match for the sidewalk project was \$101,855 for total capital outlay of \$1,021,897.

The Water Department spent \$28,733 on well improvements and major repairs; \$2,393 on the Town's master water plan; \$59,788 on equipment; \$55,395 on transmission & distribution lines and \$14,390 on construction for total capital outlay of \$160,699.

The 2A Water ASD Fund spent \$88,241 for capital projects contributed to the water enterprise fund.

Note 4 of the financial statements provide a detailed summary of the Town's capital assets.

Long-term Debt

The Town of Monument's total debt decreased by \$774,289 during 2014.

The Town's long-term debt related to governmental activities decreased in 2014. Payments of \$576,400 were made on bonds, loans and capital lease obligations during the year. The Town did not enter into new lease agreements in 2014.

The Town's long-term debt related to business-type activities decreased in 2014. Payments of \$197,889 were made on bonds, loans and capital lease obligations.

The Town did receive one lease payment in 2014 in the amount of \$14,015 for Capital equipment.

Note 5 of the financial statements provide a detailed summary on the Town's long-term debt.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for El Paso County in 2014 was 5.1% down 2.1% from the 2013 average. This compares to the national average of 5.5% and state average of 4.3% for 2014.

Total land use permits issued in 2014 were 158, with 139 residential and 19 commercial. This is up 18 permits from 2013, with the increase coming in new single family home and new commercial permits. 2015 is expected to be higher than 2014 numbers, due to several new residential developments beginning in the Town.

Total retail sales tax is budgeted at \$5,471,795 for 2015, which compares to \$5,258,517 in 2014, an increase of 4.06%.

Property tax revenue is expected to increase \$3,400 in 2015. This increase reflects a slight upswing in development over the previous year. The mill levy for 2015 is 6.289 mills, unchanged since 2008.

The 2015 budget includes capital projects for general asphalt repairs and repair to Old Denver Highway. There is money budgeted for a new pavilion for Lavallette Park, of which the Lions Club is a contributing sponsor. Also included in the capital project for Public Works are repairs to the existing public works site; a hot box for asphalt repairs; a new tire machine; street sweeper maintenance and a snow push box for the loader. The Planning Department will continue with sidewalk improvements. The Water Enterprise Fund has capital for moving the bulk water fill station; lake improvements; implementation of lawn irrigation return flows and well maintenance. The ancillary funds have available cash for designated projects as they are assigned.

The Town is also continuing work on a storm drainage master plan, a parks master plan and a new Comprehensive Plan. The Town continues the process for compliance with the Federal National Pollutant Discharge Elimination System (NPDES) Clean Water Act and is pursuing renewable water sources.

Requests for Information

This financial report is designed to provide a general overview of the Town of Monument's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or additional financial information should be addressed to the Town Treasurer at the Town of Monument, 645 Beacon Lite Road, Monument, Colorado, 80132.

BASIC FINANCIAL STATEMENTS

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET POSITION
December 31, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL	
			2014	2013
ASSETS				
Cash and Investments	\$ 2,100,332	\$ -	\$ 2,100,332	\$ 2,010,825
Restricted Cash and Investments	40,550	901,852	942,402	198,184
Receivables				
Property Taxes	695,100	-	695,100	695,763
Sales and Other	977,714	-	977,714	964,298
Accounts	1,755	53,274	55,029	49,884
Grants	3,162	-	3,162	68,272
Interfund Amounts	427,587	(427,587)	-	-
Prepaid Expenses	910	-	910	576
Capital Assets, Not Depreciated	802,290	3,569,766	4,372,056	4,275,273
Capital Assets, Depreciated Net of Accumulated Depreciation	10,186,043	3,758,687	13,944,730	13,947,144
TOTAL ASSETS	15,235,443	7,855,992	23,091,435	22,210,219
LIABILITIES				
Accounts Payable	525,642	56,164	581,806	421,829
Accrued Salaries and Benefits	86,010	13,409	99,419	95,158
Accrued Interest	11,616	12,558	24,174	36,001
Developer Escrow and Deposits	115,707	13,359	129,066	110,789
Noncurrent Liabilities				
Due within One Year	618,789	211,685	830,474	774,243
Due in More Than One Year	985,774	295,984	1,281,758	2,103,880
TOTAL LIABILITIES	2,343,538	603,159	2,946,697	3,541,900
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	695,100	-	695,100	695,763
NET POSITION				
Net Investment in Capital Assets	9,564,008	6,858,489	16,422,497	15,573,865
Restricted for Emergencies	203,000	-	203,000	182,000
Restricted for Parks and Recreation	12,149	-	12,149	9,631
Restricted for Future Water Storage	-	675,000	675,000	-
Restricted for Debt Service	23	16,809	16,832	16,809
Unrestricted, Unreserved	2,417,625	(297,465)	2,120,160	2,190,251
TOTAL NET POSITION	\$ 12,196,805	\$ 7,252,833	\$ 19,449,638	\$ 17,972,556

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,776,664	\$ 226,297	\$ 34,965	\$ -
Public Safety	1,320,450	53,441	-	-
Public Works	1,636,471	126,404	370,306	-
Parks and Recreation	62,598	-	-	246,358
Interest on Long-Term Debt	71,331	-	-	-
Total Governmental Activities	4,867,514	406,142	405,271	246,358
Business-Type Activities				
Water	1,249,121	898,902	-	810,000
Interest on Long-Term Debt	34,471	-	-	-
Total Business-Type Activities	1,283,592	898,902	-	810,000
Total Primary Government	\$ 6,151,106	\$ 1,305,044	\$ 405,271	\$ 1,056,358

GENERAL REVENUES

Sales Taxes
Property Taxes
Franchise Taxes
Other Taxes
Interest
Other

TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2014	2013
\$ (1,515,402)	\$ -	\$ (1,515,402)	\$ (1,514,126)
(1,267,009)	-	(1,267,009)	(1,277,797)
(1,139,761)	-	(1,139,761)	(1,213,654)
183,760	-	183,760	(13,316)
(71,331)	-	(71,331)	(127,246)
<u>(3,809,743)</u>	<u>-</u>	<u>(3,809,743)</u>	<u>(4,146,139)</u>
-	459,781	459,781	(207,012)
-	(34,471)	(34,471)	(17,867)
<u>-</u>	<u>425,310</u>	<u>425,310</u>	<u>(224,879)</u>
(3,809,743)	425,310	(3,384,433)	(4,371,018)
3,447,413	107,007	3,554,420	3,394,535
767,251	-	767,251	751,396
317,895	-	317,895	315,714
209,479	-	209,479	197,476
3,381	813	4,194	4,511
6,500	1,776	8,276	13,853
(88,241)	88,241	-	-
<u>4,663,678</u>	<u>197,837</u>	<u>4,861,515</u>	<u>4,677,485</u>
853,935	623,147	1,477,082	306,467
<u>11,342,870</u>	<u>6,629,686</u>	<u>17,972,556</u>	<u>17,666,089</u>
<u>\$ 12,196,805</u>	<u>\$ 7,252,833</u>	<u>\$ 19,449,638</u>	<u>\$ 17,972,556</u>

TOWN OF MONUMENT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2014	2013
ASSETS					
Cash and Investments	\$ 143,261	\$ 1,749,796	\$ 207,275	\$ 2,100,332	\$ 2,010,825
Restricted Cash and Investments	40,550	-	-	40,550	40,550
Property Taxes Receivable	695,100	-	-	695,100	695,763
Other Taxes Receivable	977,714	-	-	977,714	964,298
Accounts Receivable	1,755	-	-	1,755	890
Grants Receivable	3,162	-	-	3,162	68,272
Due From Other Funds	427,587	-	-	427,587	199,677
Prepaid Expense	910	-	-	910	576
TOTAL ASSETS	2,290,039	1,749,796	207,275	4,247,110	3,980,851
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	525,642	-	-	525,642	392,394
Accrued Salaries and Benefits	86,010	-	-	86,010	81,749
Developer Escrow	115,707	-	-	115,707	99,730
TOTAL LIABILITIES	727,359	-	-	727,359	573,873
DEFERRED INFLOW OF RESOURCES					
Deferred Property Tax Revenue	695,100	-	-	695,100	695,763
FUND EQUITY					
Fund Balance					
Restricted for Emergencies	203,000	-	-	203,000	182,000
Restricted for Parks and Recreation	-	-	12,149	12,149	9,631
Restricted for Debt Service	-	-	23	23	-
Committed	-	1,749,796	195,103	1,944,899	1,628,574
Unassigned	664,580	-	-	664,580	891,010
TOTAL FUND EQUITY	867,580	1,749,796	207,275	2,824,651	2,711,215
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 2,290,039	\$ 1,749,796	\$ 207,275		

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 therefore, are not reported in the funds.	10,988,333	10,842,371
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include Bonds and Loan Payable of (\$429,500), Capital Leases (\$974,799), Accrued Compensated Absences (\$200,264), and Accrued Interest Payable (\$11,616).	(1,616,179)	(2,210,716)
Net position of governmental activities	\$ 12,196,805	\$ 11,342,870

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2014	2013
REVENUES					
Taxes	\$ 3,979,285	\$ 399,881	\$ 155,148	\$ 4,534,314	\$ 4,371,541
Licenses and Permits	25,516	-	51,734	77,250	71,205
Charges for Services	149,047	-	126,404	275,451	130,793
Intergovernmental	612,995	-	40,858	653,853	393,050
Court	53,441	-	-	53,441	93,432
Interest	1,476	1,698	207	3,381	4,227
Miscellaneous	5,000	-	1,500	6,500	-
TOTAL REVENUES	4,826,760	401,579	375,851	5,604,190	5,064,248
EXPENDITURES					
General Government	1,661,013	-	843	1,661,856	1,613,298
Public Safety	1,271,779	-	-	1,271,779	1,338,707
Public Works	816,002	81,447	-	897,449	729,622
Parks and Recreation	-	-	38,352	38,352	38,651
Debt Service					
Principal	451,400	-	125,000	576,400	558,983
Interest	53,726	-	30,125	83,851	103,110
Capital Outlay	750,770	88,241	122,056	961,067	646,971
TOTAL EXPENDITURES	5,004,690	169,688	316,376	5,490,754	5,029,342
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(177,930)	231,891	59,475	113,436	34,906
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	-	-	-	419,303
Transfers In	-	-	27,500	27,500	6,962
Transfers Out	(27,500)	-	-	(27,500)	(6,962)
TOTAL OTHER FINANCING SOURCES (USES)	(27,500)	-	27,500	-	419,303
NET CHANGE IN FUND BALANCES	(205,430)	231,891	86,975	113,436	454,209
FUND BALANCES, Beginning	1,073,010	1,517,905	120,300	2,711,215	2,257,006
FUND BALANCES, Ending	\$ 867,580	\$ 1,749,796	\$ 207,275	\$ 2,824,651	\$ 2,711,215

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

TOWN OF MONUMENT, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 113,436
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 outlay \$1,021,897, exceeded depreciation (\$875,935) in the current period.	65,962
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include bond and loan payments of \$125,000, payments of capital leases of \$451,400, and change in accrued compensated absences of \$5,617.	582,017
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the decrease in accrued interest payable.	<u>12,520</u>
Change in Net Position of Governmental Activities	<u>\$ 773,935</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 December 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Restricted Cash and Investments	\$ 901,852	\$ 157,634
Accounts Receivable	53,274	48,994
Total Current Assets	<u>955,126</u>	<u>206,628</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	<u>7,328,453</u>	<u>7,380,046</u>
TOTAL ASSETS	<u>8,283,579</u>	<u>7,586,674</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	56,164	29,435
Accrued Expenses	13,409	13,409
Due to General Fund	427,587	199,677
Accrued Interest Payable	12,558	11,865
Accrued Compensated Absences, Current Portion	3,771	-
Leases Payable, Current Portion	22,526	22,142
Bonds and Loan Payable, Current Portion	<u>185,388</u>	<u>175,747</u>
Total Current Liabilities	<u>721,403</u>	<u>452,275</u>
Noncurrent Liabilities		
Deposits	13,359	11,059
Accrued Compensated Absences	33,934	23,690
Leases Payable	15,515	38,041
Bonds and Loan Payable	<u>246,535</u>	<u>431,923</u>
Total Noncurrent Liabilities	<u>309,343</u>	<u>504,713</u>
TOTAL LIABILITIES	<u>1,030,746</u>	<u>956,988</u>
NET POSITION		
Net Investment in Capital Assets	6,858,489	6,712,193
Restricted for Debt Service	16,809	16,809
Restricted for Future Water Storage	675,000	-
Unreserved	<u>(297,465)</u>	<u>(99,316)</u>
TOTAL NET POSITION	<u>\$ 7,252,833</u>	<u>\$ 6,629,686</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for Services	\$ 898,902	\$ 800,240
Miscellaneous Income	1,776	13,853
	<u>900,678</u>	<u>814,093</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Operations and Maintenance	821,815	284,203
Administrative and General	126,773	545,176
Depreciation	300,533	285,873
	<u>1,249,121</u>	<u>1,115,252</u>
TOTAL OPERATING EXPENSES		
OPERATING LOSS	<u>(348,443)</u>	<u>(301,159)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales Taxes	107,007	91,543
Interest Income	813	284
Interest Expenses	<u>(34,471)</u>	<u>(17,867)</u>
	<u>73,349</u>	<u>73,960</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)		
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(275,094)</u>	<u>(227,199)</u>
Capital Contributions		
Tap Fees	135,000	108,000
Water Storage Fees	675,000	-
Other Funds	88,241	-
	<u>898,241</u>	<u>108,000</u>
TOTAL CAPITAL CONTRIBUTIONS		
NET INCOME (LOSS)	623,147	(119,199)
NET POSITION, Beginning	<u>6,629,686</u>	<u>6,748,885</u>
NET POSITION, Ending	<u>\$ 7,252,833</u>	<u>\$ 6,629,686</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE

Year Ended December 31, 2014

Increase (Decrease) in Cash and Cash Equivalents

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 894,622	\$ 800,950
Cash Received from Others	1,776	13,853
Cash Paid to Suppliers	(324,171)	(338,451)
Cash Paid to Employees	(355,763)	(342,027)
Net Cash Provided by Operating Activities	<u>216,464</u>	<u>134,325</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales Tax Received	<u>107,007</u>	<u>91,543</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(160,699)	(200,509)
Lease Proceeds	-	82,773
Bond Payments	(197,889)	(189,299)
Interest Payments	(33,778)	(42,440)
Capital Contributions		
Tap Fees	135,000	108,000
Water Storage Fees	675,000	-
Deposits Received from Customers	2,300	900
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>419,934</u>	<u>(240,575)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>813</u>	<u>284</u>
Net Increase (Decrease) in Cash and Cash Equivalents	744,218	(14,423)
CASH AND CASH EQUIVALENTS, Beginning	<u>157,634</u>	<u>172,057</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 901,852</u>	<u>\$ 157,634</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	<u>\$ (348,443)</u>	<u>\$ (301,159)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation and Amortization	300,533	285,873
Changes in Assets and Liabilities		
Accounts Receivable	(4,280)	710
Due to Other Funds	227,910	196,483
Accounts Payable	26,729	(18,444)
Accrued Expenses	-	(29,725)
Accrued Compensated Absences	14,015	587
Total Adjustments	<u>564,907</u>	<u>435,484</u>
Net Cash Provided by Operating Activities	<u>\$ 216,464</u>	<u>\$ 134,325</u>
NON-CASH ACTIVITIES		
Capital Contributions - Other Funds	<u>\$ 88,241</u>	<u>\$ -</u>

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Monument, Colorado (the "Town") conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its 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 net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments 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*.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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 fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected 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.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 Town.

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, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses 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. 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 practice to use restricted resources first, then unrestricted resources as they are needed.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

In the fund financial statements, 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 Town, except those required to be accounted for in another fund.

The *2A Water ASD Fund* accounts for the revenues and expenditures allocated for water projects.

The Town also reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, 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 at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

Water Rights	50 years
Wells and Treatment Plant	30 years
Infrastructure	30 years
Transmission & Distribution	10 years
Buildings	5 – 30 years
Furniture, Equipment and Vehicles	3 – 10 years
Park and Street Improvements	7 – 20 years

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time up to 384 hours at their current pay rate and unused sick time up to 360 hours at 50% of their current rate of pay.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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 issuances 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.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the Town has classified the fund balance in the Conservation Trust Fund as restricted because their use is restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town's committed resources are presented in the governmental fund balance sheet as of December 31, 2014.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2014 follows:

Petty Cash	\$ 1,450
Cash Deposits	442,027
Investments	<u>2,599,257</u>
Total	<u>\$ 3,042,734</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments	\$ 2,554,937
Restricted Cash and Investments	<u>487,797</u>
Total	<u>\$ 3,042,734</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2014 State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories.

Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors' accounts up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2014, the Town had deposits with financial institutions with a carrying amount of \$442,027. The bank balances with the financial institutions were \$507,546, of which \$452,603 was covered by FDIC and \$54,943 was collateralized with securities held by the financial institutions' agents, but not in the Town's name.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States & certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

The Town had invested \$2,599,257 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated AAA by Standard and Poor's.

Restricted Cash

Cash is restricted for the following purposes:

Operating Reserve – Water Fund	\$ 210,043
Future Water Storage – Water Fund	675,000
Debt Service Reserve – Water Fund	16,809
Debt Service Reserve – Governmental Fund	<u>40,550</u>
Total	<u>\$ 942,402</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Operating Reserve – The loan agreement with the Colorado Water Resources & Power Development Authority (CWR&PDA) requires that the Town maintain a three-month operating reserve. As of December 31, 2014, the Town's water fund restricted cash of \$210,043 for this operating reserve which did not meet the required three month operating reserve and may be a violation of the loan agreement.

Future Water Storage – The Town has restricted \$675,000 of the Water Fund's cash balance for future water storage in relation to an intergovernmental agreement. The Town also restricted net position of \$675,000 for future water storage in relation to this agreement.

Debt Service Reserve – The 1997 Rural Economic and Community Development Loan was funded in full and converted to Water Revenue Bonds, Series 1995. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted General Fund cash in the amount of \$40,550 at December 31, 2014.

In addition, the CWCB loan requires 10% of annual payment as a reserve or \$16,809. For this purpose, the Town has restricted Water Fund cash at December 31, 2014.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2014

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2014 is summarized below:

	Balances 12/31/2013	Additions	Deletions	Balances 12/31/2014
Governmental Activities:				
Capital Assets, not being depreciated				
Land	\$ 722,290	\$ 80,000	\$ -	\$ 802,290
Capital Assets, being depreciated				
Buildings	3,816,600	18,933	-	3,835,533
Infrastructure	8,367,154	-	-	8,367,154
Water Rights	135,324	-	-	135,324
Furniture and Equipment	469,699	63,011	-	532,710
Vehicles and Street Equipment	1,529,171	93,520	-	1,622,691
Park Improvements	411,839	158,029	-	569,868
Street Improvements	3,288,090	608,404	-	3,896,494
Total Capital Assets, being depreciated	<u>18,017,877</u>	<u>941,897</u>	<u>-</u>	<u>18,959,774</u>
Less accumulated depreciation				
Buildings	(841,459)	(122,623)	-	(964,082)
Infrastructure	(3,810,439)	(278,905)	-	(4,089,344)
Water Rights	(12,926)	(2,706)	-	(15,632)
Furniture and Equipment	(306,645)	(31,090)	-	(337,735)
Vehicles and Street Equipment	(1,069,911)	(104,564)	-	(1,174,475)
Park Improvements	(223,074)	(29,246)	-	(252,320)
Street Improvements	(1,633,342)	(306,801)	-	(1,940,143)
Total accumulated depreciation	<u>(7,897,796)</u>	<u>(875,935)</u>	<u>-</u>	<u>(8,773,731)</u>
Total Capital Assets, being depreciated, net	<u>10,120,081</u>	<u>65,962</u>	<u>-</u>	<u>10,186,043</u>
Governmental Activities Capital Assets, net	<u><u>\$ 10,842,371</u></u>	<u><u>\$ 145,962</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,988,333</u></u>

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

Governmental Activities	
General Government	\$ 120,425
Public Safety	48,671
Public Works	682,593
Parks and Recreation	<u>24,246</u>
Total	<u>\$ 875,935</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2014

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 12/31/2013	Additions	Deletions	Balances 12/31/2014
Business-type Activities:				
Capital Assets, not being depreciated				
Water Master Plan	\$ 633,718	\$ 2,393	\$ -	\$ 636,111
Construction in Progress	2,919,265	14,390	-	2,933,655
Total Capital Assets, not being depreciated	<u>3,552,983</u>	<u>16,783</u>	<u>-</u>	<u>3,569,766</u>
Capital Assets, being depreciated				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Building	113,800	-	-	113,800
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,199,322	-	-	1,199,322
Other Equipment	640,329	147,156	-	787,485
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	7,504,952	28,733	-	7,533,685
Transmission & Distribution	1,546,559	55,395	-	1,601,954
Vehicles	278,158	873	-	279,031
Total Capital Assets, being depreciated	<u>12,307,756</u>	<u>232,157</u>	<u>-</u>	<u>12,539,913</u>
Less accumulated depreciation				
Water Rights	(50,000)	(2,500)	-	(52,500)
Alluvium Wells	(357,317)	(15,241)	-	(372,558)
Public Works Building	(26,551)	(3,793)	-	(30,344)
Iron Treatment Plant	(244,674)	(9,595)	-	(254,269)
Water Treatment Plant	(307,017)	(39,977)	-	(346,994)
Other Equipment	(563,354)	(35,764)	-	(599,118)
Slabaugh Well	(82,301)	(3,828)	-	(86,129)
Wells/Treatment	(5,153,708)	(150,774)	-	(5,304,482)
Transmission & Distribution	(1,463,800)	(27,852)	-	(1,491,652)
Vehicles	(231,971)	(11,209)	-	(243,180)
Total accumulated depreciation	<u>(8,480,693)</u>	<u>(300,533)</u>	<u>-</u>	<u>(8,781,226)</u>
Total Capital Assets, being depreciated, net	<u>3,827,063</u>	<u>(68,376)</u>	<u>-</u>	<u>3,758,687</u>
Business-type Activities Capital Assets, net	<u>\$ 7,380,046</u>	<u>\$ (51,593)</u>	<u>\$ -</u>	<u>\$ 7,328,453</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2014

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2014.

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014	Due Within One Year
Governmental Activities					
1979 GO Water Bonds	\$ 34,500	\$ -	\$ 5,000	\$ 29,500	\$ 5,000
1997 CWRPDA Loan	520,000	-	120,000	400,000	125,000
Capital Leases	1,426,199	-	451,400	974,799	468,763
Accrued Compensated Absences	205,881	-	5,617	200,264	20,026
	\$ 2,186,580	\$ -	\$ 582,017	\$ 1,604,563	\$ 618,789

Accrued Compensated Absences are being paid from resources generated by the General Fund.

1979 GO Water Bonds – These bonds were issued to extend and improve the waterworks system. Principal and interest payments are due annually on December 1 through 2019. Interest accrues at a rate of 5.00%

1997 Water Loan (Colorado Water Resources and Power Development Authority) – This Loan was obtained to advance refund General Obligation Water Bonds from 1987 for water system improvements. Principal and interest payments are due semi-annually on April 1 and October 1 through 2017. Interest accrues at rates ranging from 4.10% to 5.60%.

Capital Leases

The Town has entered into several capital lease agreements to purchase equipment which will be paid from revenues of the General Fund. These leases require interest to be paid ranging from 3.85% to 4.45%. These leases mature from 2008-2017.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2014

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2014 are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 130,000	\$ 23,875	\$ 153,875
2016	140,500	16,625	157,125
2017	145,500	8,790	154,290
2018	6,500	675	7,175
2019	7,000	350	7,350
	<u><u>\$ 429,500</u></u>	<u><u>\$ 50,315</u></u>	<u><u>\$ 479,815</u></u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2014.

<u>Year Ended December 31</u>	
2015	\$ 505,191
2016	466,648
2017	70,688
	<u>1,042,527</u>
Total Minimum Lease Payments	1,042,527
Less: Interest	<u>(67,728)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 974,799</u></u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2014.

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014	Due Within One Year
Business-type Activities					
1995 GO Water Refunding	\$ 110,500	\$ -	\$ 35,000	\$ 75,500	\$ 36,900
2002 CWCB Loan	497,170	-	140,747	356,423	148,488
Capital Leases	60,183	-	22,142	38,041	22,526
Accrued Compensated Absences	23,690	14,015	-	37,705	3,771
	<u><u>\$ 691,543</u></u>	<u><u>\$ 14,015</u></u>	<u><u>\$ 197,889</u></u>	<u><u>\$ 507,669</u></u>	<u><u>\$ 211,685</u></u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2014

NOTE 5: LONG-TERM DEBT (Continued)

1995 GO Water Refunding Bonds – These bonds were issued to refund the 1997 Rural Economic and Community Development Loan. Principal and interest payments are due semi-annually on June 1 and December 1, through 2016. Interest accrues at 5.125%. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted cash in the General Fund in the amount of \$40,550 at December 31, 2014.

2002 Colorado Water Conservation Board Loan – This loan was obtained to finance the Monument Dam project. Principal and interest payments are due annually on August 1, through 2033. Interest accrues at 5.50%. This loan matures in August of 2017.

Capital Leases

The Town has entered into several capital lease agreements to purchase equipment which will be paid from revenues of the Water Fund. These leases require interest to be paid ranging from 2.14% to 2.34%. These leases mature from 2016-2017.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2014 are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 185,388	\$ 23,006	\$ 208,394
2016	195,255	12,925	208,180
2017	51,280	2,820	54,100
	<u>\$ 431,923</u>	<u>\$ 38,751</u>	<u>\$ 470,674</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 5: LONG-TERM DEBT (Continued)

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2014.

Year Ended December 31

2015	\$	23,293
2016		8,596
2017		7,411
Total Minimum Lease Payments		39,300
Less: Interest		(1,259)
Present Value of Future Minimum Lease Payments	\$	<u>38,041</u>

Conduit Debt

In January 2014, the Town issued \$15,650,000 Refunding and Improvement Variable Rate Revenue Bonds for the Discover Goodwill of Southern and Western Colorado Project to provide financial assistance to a Colorado nonprofit entity to acquire, construct and equip retail facilities for donated goods. Neither the Town, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as a liability in the Town's financial statements. Outstanding bonds at December 31, 2014 totaled \$15,128,333.

NOTE 6: RETIREMENT COMMITMENTS

Supplemental Death and Disability Plan

Death and disability coverage is provided for members through the Statewide Death and Disability Plan, a multi-employer defined contribution plan, which is administered by the Colorado Fire and Police Pension Association, All full-time, paid police officers of the Town are members of the Plan. The State Legislature establishes benefit provisions of the Plan. The total contribution required is 2.6% of each participating employee's covered salary. During the year ended December 31, 2014, the Town and employee contributions were \$14,801, equal to the required contribution.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 6: RETIREMENT COMMITMENTS (Continued)

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Town employees and permits them to defer a portion of their salary until future years. The Town matches employee contributions up to 5% of eligible salary. During the year ended December 31, 2014, the Town contributions were \$95,852, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 7: PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE 8: COMMITMENTS AND CONTINGENCIES

Monument Lake and Dam

During 1999, the Colorado Legislature enacted a law, which would grant ownership of the dam and, water storage rights to the town upon the completion of the reconstruction of the dam and acceptance by the Town. The Town is awaiting the deed from the Governor's office. Construction was completed in September 2003; however, there are ongoing improvements being made prior to the transfer of ownership.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1996, voters within the Town approved the collection, retention and expenditure of the all revenues generated by the Town in 1996 and subsequent years, notwithstanding the provisions of the Amendment. The Town believes it is in substantial compliance with the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2014, the emergency reserve of \$203,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MONUMENT, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Taxes	\$ 3,887,684	\$ 3,906,548	\$ 3,979,285	\$ 72,737	\$ 3,818,000
Licenses and Permits	21,338	25,350	25,516	166	23,960
Charges for Services	168,431	131,285	149,047	17,762	107,470
Intergovernmental	400,856	635,161	612,995	(22,166)	348,147
Court	56,477	69,000	53,441	(15,559)	93,432
Interest	751	766	1,476	710	2,512
Miscellaneous	-	5,000	5,000	-	-
TOTAL REVENUES	<u>4,535,537</u>	<u>4,773,110</u>	<u>4,826,760</u>	<u>53,650</u>	<u>4,393,521</u>
EXPENDITURES					
Current					
General Government	1,650,565	1,748,296	1,661,013	87,283	1,529,168
Public Safety	1,341,652	1,359,962	1,271,779	88,183	1,338,707
Public Works	800,022	1,098,055	816,002	282,053	707,787
Capital Outlay	624,000	570,300	750,770	(180,470)	646,971
Debt Service					
Principal	451,355	451,049	451,400	(351)	439,483
Interest	53,728	53,712	53,726	(14)	65,600
Contingency	664,229	260,820	-	260,820	-
TOTAL EXPENDITURES	<u>5,585,551</u>	<u>5,542,194</u>	<u>5,004,690</u>	<u>537,504</u>	<u>4,727,716</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,050,014)</u>	<u>(769,084)</u>	<u>(177,930)</u>	<u>591,154</u>	<u>(334,195)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	-	-	-	-	419,303
Transfers Out	(25,000)	(25,000)	(27,500)	(2,500)	(6,962)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(27,500)</u>	<u>(2,500)</u>	<u>412,341</u>
NET CHANGE IN FUND BALANCE	<u>(1,075,014)</u>	<u>(794,084)</u>	<u>(205,430)</u>	<u>588,654</u>	<u>78,146</u>
FUND BALANCE, Beginning	<u>1,075,014</u>	<u>794,084</u>	<u>1,073,010</u>	<u>278,926</u>	<u>994,864</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867,580</u>	<u>\$ 867,580</u>	<u>\$ 1,073,010</u>

See the accompanying Independent Auditors' Report.

TOWN OF MONUMENT, COLORADO

2A WATER ASD FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Sales Tax	\$ 389,630	\$ 393,345	\$ 399,881	\$ 6,536	\$ 396,531
Interest	2,000	1,800	1,698	(102)	1,550
TOTAL REVENUES	<u>391,630</u>	<u>395,145</u>	<u>401,579</u>	<u>6,434</u>	<u>398,081</u>
EXPENDITURES					
Public Works	40,000	140,225	81,447	58,778	21,835
Capital Outlay	1,860,533	1,772,825	88,241	1,772,292	-
TOTAL EXPENDITURES	<u>1,900,533</u>	<u>1,913,050</u>	<u>169,688</u>	<u>1,831,070</u>	<u>21,835</u>
NET CHANGE IN FUND BALANCE	(1,508,903)	(1,517,905)	231,891	1,837,504	376,246
FUND BALANCE, Beginning	<u>1,508,903</u>	<u>1,517,905</u>	<u>1,517,905</u>	<u>9,002</u>	<u>852,735</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,749,796</u>	<u>\$ 1,749,796</u>	<u>\$ 1,228,981</u>

See the accompanying Independent Auditors' Report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2014

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
ASSETS				
Cash and Investments	\$ 20,115	\$ 12,149	\$ 174,938	\$ 50
TOTAL ASSETS	<u>\$ 20,115</u>	<u>\$ 12,149</u>	<u>\$ 174,938</u>	<u>\$ 50</u>
FUND EQUITY				
Restricted for Parks and Recreation	\$ -	\$ 12,149	\$ -	\$ -
Restricted for Debt Service	-	-	-	-
Committed	20,115	-	174,938	50
TOTAL FUND EQUITY	<u>\$ 20,115</u>	<u>\$ 12,149</u>	<u>\$ 174,938</u>	<u>\$ 50</u>

See the accompanying Independent Auditors' Report.

DEBT SERVICE FUND	TOTALS	
	2014	2013
\$ 23	\$ 207,275	\$ 120,300
<u>\$ 23</u>	<u>\$ 207,275</u>	<u>\$ 120,300</u>
\$ -	\$ 12,149	\$ 9,631
23	23	-
-	195,103	110,669
<u>\$ 23</u>	<u>\$ 207,275</u>	<u>\$ 120,300</u>

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2014

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
REVENUES				
Licenses and Permits	\$ 51,734	\$ -	\$ -	\$ -
Intergovernmental	-	40,858	-	-
Charges for Services	-	-	104,798	21,606
Sales Tax	-	-	-	-
Interest	7	12	149	39
Miscellaneous	1,500	-	-	-
TOTAL REVENUES	53,241	40,870	104,947	21,645
EXPENDITURES				
General Government	843	-	-	-
Parks and Recreation	-	38,352	-	-
Capital Outlay	58,402	-	1,722	61,932
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	59,245	38,352	1,722	61,932
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,004)	2,518	103,225	(40,287)
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	-	-	2,500
CHANGE IN FUND BALANCES	18,996	2,518	103,225	(37,787)
FUND BALANCES, Beginning	1,119	9,631	71,713	37,837
FUND BALANCES, Ending	\$ 20,115	\$ 12,149	\$ 174,938	\$ 50

See the accompanying Independent Auditors' Report.

DEBT SERVICE FUND	TOTALS	
	2014	2013
\$ -	\$ 51,734	\$ 47,245
-	40,858	44,903
-	126,404	23,323
155,148	155,148	157,010
-	207	165
-	1,500	
<u>155,148</u>	<u>375,851</u>	<u>272,646</u>
-	843	84,130
-	38,352	38,651
-	122,056	-
125,000	125,000	119,500
<u>30,125</u>	<u>30,125</u>	<u>37,510</u>
<u>155,125</u>	<u>316,376</u>	<u>279,791</u>
23	59,475	(7,145)
-	27,500	6,962
23	86,975	(183)
-	120,300	120,483
<u>\$ 23</u>	<u>\$ 207,275</u>	<u>\$ 120,300</u>

TOWN OF MONUMENT, COLORADO

COMMUNITY DEVELOPMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Business Licenses	\$ 47,000	\$ 50,000	\$ 51,734	\$ 1,734	\$ 47,245
Interest	50	4	7	3	41
Miscellaneous	-	-	1,500	1,500	-
TOTAL REVENUES	<u>47,050</u>	<u>50,004</u>	<u>53,241</u>	<u>3,237</u>	<u>47,286</u>
EXPENDITURES					
General Government	-	3,047	843	2,204	84,130
Capital Outlay	<u>79,191</u>	<u>73,077</u>	<u>58,402</u>	<u>14,675</u>	<u>-</u>
TOTAL EXPENDITURES	<u>79,191</u>	<u>76,124</u>	<u>59,245</u>	<u>16,879</u>	<u>84,130</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(32,141)</u>	<u>(26,120)</u>	<u>(6,004)</u>	<u>20,116</u>	<u>(36,844)</u>
OTHER FINANCING SOURCES					
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>6,962</u>
NET CHANGE IN FUND BALANCE	<u>(7,141)</u>	<u>(1,120)</u>	<u>18,996</u>	<u>20,116</u>	<u>(29,882)</u>
FUND BALANCE, Beginning	<u>7,141</u>	<u>1,120</u>	<u>1,119</u>	<u>(1)</u>	<u>31,001</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,115</u>	<u>\$ 20,115</u>	<u>\$ 1,119</u>

See the accompanying Independent Auditors' Report.

TOWN OF MONUMENT, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Lottery Revenues	\$ 48,000	\$ 40,000	\$ 40,858	\$ 858	\$ 44,903
Interest	6	12	12	-	6
TOTAL REVENUES	48,006	40,012	40,870	858	44,909
EXPENDITURES					
Parks and Recreation	57,425	49,643	38,352	11,291	38,651
NET CHANGE IN FUND BALANCE	(9,419)	(9,631)	2,518	12,149	6,258
FUND BALANCE, Beginning	9,419	9,631	9,631	-	3,373
FUND BALANCE, Ending	\$ -	\$ -	\$ 12,149	\$ 12,149	\$ 9,631

See the accompanying Independent Auditors' Report.

TOWN OF MONUMENT, COLORADO

TRAFFIC IMPACT FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014			VARIANCE Positive (Negative)	2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Traffic Impact Fees	\$ 68,000	\$ 83,000	\$ 104,798	\$ 21,798	\$ 17,030
Interest	150	135	149	14	76
TOTAL REVENUES	<u>68,150</u>	<u>83,135</u>	<u>104,947</u>	<u>21,812</u>	<u>17,106</u>
EXPENDITURES					
Capital Outlay	<u>140,832</u>	<u>154,848</u>	<u>1,722</u>	<u>153,126</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(72,682)	(71,713)	103,225	174,938	17,106
FUND BALANCE, Beginning	<u>72,682</u>	<u>71,713</u>	<u>71,713</u>	<u>-</u>	<u>54,607</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,938</u>	<u>\$ 174,938</u>	<u>\$ 71,713</u>

See the accompanying Independent Auditors' Report.

TOWN OF MONUMENT, COLORADO

STORM DRAINAGE IMPACT FEE
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014				2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES					
Storm Drainage Impact Fees	\$ 42,000	\$ 34,000	\$ 21,606	\$ (12,394)	\$ 6,293
Interest	92	48	39	(9)	42
TOTAL REVENUES	42,092	34,048	21,645	(12,403)	6,335
EXPENDITURES					
Capital Outlay	73,594	71,885	61,932	9,953	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,502)	(37,837)	(40,287)	(2,450)	6,335
OTHER FINANCING SOURCES					
Transfers In	-	-	2,500	2,500	-
NET CHANGE IN FUND BALANCE	(31,502)	(37,837)	(37,787)	50	6,335
FUND BALANCE, Beginning	31,502	37,837	37,837	-	31,502
FUND BALANCE, Ending	\$ -	\$ -	\$ 50	\$ 50	\$ 37,837

See the accompanying Independent Auditors' Report.

TOWN OF MONUMENT, COLORADO

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2014

	2014				2013 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES					
Sales Tax	\$ 157,285	\$ 155,845	\$ 155,148	\$ (697)	\$ 157,010
TOTAL REVENUES	157,285	155,845	155,148	(697)	157,010
EXPENDITURES					
Debt Service					
Principal	120,000	127,500	125,000	2,500	119,500
Interest	37,285	28,345	30,125	(1,780)	37,510
TOTAL EXPENDITURES	157,285	155,845	155,125	720	157,010
NET CHANGE IN FUND BALANCE	-	-	23	23	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 23	\$ 23	\$ -

See the accompanying Independent Auditors' Report.

TOWN OF MONUMENT, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2014

	2014				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2013 ACTUAL
REVENUES					
Charges for Services	\$ 1,054,379	\$ 905,100	\$ 898,902	\$ (6,198)	\$ 800,240
Sales Tax	121,564	105,152	107,007	1,855	91,543
Tap Fees	197,000	160,000	135,000	(25,000)	108,000
Lease Proceeds	-	34,000	-	(34,000)	82,773
Investment Income	300	215	813	598	284
Water Storage Fee	-	-	675,000	675,000	-
Other Revenues	3,000	7,202	1,776	(5,426)	13,853
TOTAL REVENUES	1,376,243	1,211,669	1,818,498	606,829	1,096,693
EXPENDITURES					
Operations and Maintenance	822,113	844,402	821,815	22,587	284,203
Administration and General	86,500	141,391	126,773	14,618	545,176
Capital Outlay	260,000	190,000	160,699	29,301	200,509
Debt Service					
Principal	197,889	197,889	197,889	-	189,299
Interest	33,823	33,823	34,471	(648)	17,867
TOTAL EXPENDITURES	1,400,325	1,407,505	1,341,647	65,858	1,237,054
NET INCOME, Budget Basis	\$ (24,082)	\$ (195,836)	476,851	\$ 672,687	(140,361)
GAAP BASIS ADJUSTMENTS					
Capital Contribution - Other Funds			88,241		-
Capital Outlay			160,699		200,509
Depreciation			(300,533)		(285,873)
Proceeds from Issuance of Debt			-		(82,773)
Principal Paid on Long-Term Debt			197,889		189,299
NET INCOME, GAAP Basis			623,147		(119,199)
NET POSITION, Beginning			6,629,686		6,748,885
NET POSITION, Ending			\$ 7,252,833		\$ 6,629,686

See the accompanying Independent Auditors' Report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Monument
		YEAR ENDING : December 2014
This Information From The Records Of Town Of Monument	Prepared By: Phone:	Pamela Smith, Interim Town Treasurer 719-884-8045

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	144,448
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	(92,052)
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	148,330	b. Snow and ice removal	31,207
3. Other local imposts (from page 2)	219,704	c. Other	0
4. Miscellaneous local receipts (from page 2)	30,636	d. Total (a. through c.)	31,207
5. Transfers from toll facilities	0	4. General administration & miscellaneous	60,845
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	487,637
a. Bonds - Original Issues	0	6. Total (1 through 5)	632,085
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	398,670	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	233,416	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	632,085	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	632,085

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	632,085	(632,085)	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines and Penalties	30,636
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	126,403	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	1,875	f. Charges for Services	0
5. Specific Ownership &/ orOther	91,426	g. Other Misc. Receipts	0
6. Total (1. through 5.)	219,704	h. Other	0
c. Total (a. + b.)	219,704	i. Total (a. through h.)	30,636
	(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	207,724	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registration	25,692	d. Federal Transit Admin	0
d. Other - (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	25,692	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	233,416	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	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	52,729	52,729
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	91,719	91,719
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1)+(2)+(3)+(4)	0	144,448	144,448
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	144,448	144,448
			(Carry forward to page 1)

Notes and Comments: