TOWN OF MONUMENT, COLORADO

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2013

BOARD OF TRUSTEES

Mayor Travis Easton
Mayor Pro Tem Jeffrey Kaiser
Trustee Jeffrey Bornstein
Trustee Rafael Dominguez
Trustee Stan Gingrich
Trustee John Howe
Trustee Becki Tooley

ADMINISTRATIVE STAFF

Pamela Smith – Town Manager
Monica Harder – Town Treasurer
Cynthia Sirochman – Town Clerk
Jacob Shirk – Chief of Police
Thomas Tharnish – Public Works Director
Thomas Kassawara – Director of Development Services
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FINANCIAL SECTION
Honorable Mayor and Members of the Town Council
Town of Monument
Monument, Colorado

INDEPENDENT AUDITORS’ REPORT

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, 2013, 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, 2013, 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

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
June 25, 2014
BASIC FINANCIAL STATEMENTS
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, 2013. 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 2013 by $17,972,556 (net position). Of this amount, $2,216,691 (unrestricted net position) may be used for the Town’s obligations to citizens and creditors.

- At December 31, 2013, the Town of Monument’s governmental funds reported combined ending fund balances of $2,711,215 an increase of $454,209 in comparison with the prior year. $891,010 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 $891,010, or 18.8% of the total General Fund expenditures. This is a decrease of 1% from the prior year.

- Sales and use taxes revenue, the Town’s largest source of revenue was $3,592,011 for 2013 as compared to $3,213,242 for the prior year, an increase of 11.8%. The key factor for this was an increase in commercial and residential development and a more robust economy in 2013.

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 development services. 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 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 10th year the Town has reported using the GASB 34 model. Comparisons of 2012 to 2013 follow. In the case of the Town of Monument, assets exceeded liabilities by $17,666,089 at the end of 2012 and at the end of 2013 by $17,972,556 an increase in Total Net Position of $306,467 or 1.7%.

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<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other assets</td>
<td>$3,980,851</td>
<td>$3,554,273</td>
<td>$6,951</td>
<td>$218,567</td>
<td>$3,987,802</td>
<td>$3,772,840</td>
</tr>
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<td>Capital assets, net</td>
<td>10,842,371</td>
<td>10,995,843</td>
<td>7,380,046</td>
<td>7,465,410</td>
<td>18,222,417</td>
<td>18,461,253</td>
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<tr>
<td>Total assets</td>
<td>14,823,222</td>
<td>14,550,116</td>
<td>7,386,997</td>
<td>7,683,977</td>
<td>22,210,219</td>
<td>22,234,093</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>1,610,226</td>
<td>1,902,130</td>
<td>493,654</td>
<td>637,727</td>
<td>2,103,880</td>
<td>2,539,857</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,174,363</td>
<td>1,044,950</td>
<td>263,657</td>
<td>297,365</td>
<td>1,438,020</td>
<td>1,342,315</td>
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<tr>
<td>Total liabilities</td>
<td>2,784,589</td>
<td>2,947,080</td>
<td>757,311</td>
<td>935,092</td>
<td>3,541,900</td>
<td>3,882,172</td>
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<tr>
<td>Deferred Inflow of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Deferred Property Tax</td>
<td>695,763</td>
<td>685,835</td>
<td>-</td>
<td>-</td>
<td>695,763</td>
<td>685,832</td>
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<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Net Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>8,861,672</td>
<td>8,887,190</td>
<td>6,712,193</td>
<td>6,691,031</td>
<td>15,573,865</td>
<td>15,578,221</td>
</tr>
<tr>
<td>Restricted</td>
<td>182,000</td>
<td>178,000</td>
<td>-</td>
<td>-</td>
<td>182,000</td>
<td>178,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,299,198</td>
<td>1,852,014</td>
<td>(82,507)</td>
<td>57,854</td>
<td>2,216,691</td>
<td>1,909,868</td>
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<tr>
<td>Total net position</td>
<td>$11,342,870</td>
<td>$10,917,204</td>
<td>$6,629,686</td>
<td>$6,748,885</td>
<td>$17,972,556</td>
<td>$17,666,089</td>
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</table>
The largest portion of the Town of Monument’s net position (87%) 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 (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, $2,216,691, may be used to meet the Town’s ongoing obligations to citizens and creditors.
Changes in Net Position

The Town’s net position increased $306,467 during 2013. Governmental Activities reported a $425,666 increase, with sales tax revenue and property taxes being the largest contributors.

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<th>CHANGES IN NET POSITION</th>
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<td>Governmental Activities</td>
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<tr>
<td></td>
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<tr>
<td>Revenues:</td>
</tr>
<tr>
<td>Program revenues:</td>
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<tr>
<td>Charges for Services</td>
</tr>
<tr>
<td>$355,688</td>
</tr>
<tr>
<td>$862,758</td>
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<td>$1,218,446</td>
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<tr>
<td>Operating Grants &amp;</td>
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<tr>
<td>Contributions</td>
</tr>
<tr>
<td>$152,110</td>
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<tr>
<td>Capital Grants &amp;</td>
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<td>Contributions</td>
</tr>
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<td>General revenues:</td>
</tr>
<tr>
<td>Property taxes</td>
</tr>
<tr>
<td>703,085</td>
</tr>
<tr>
<td>703,085</td>
</tr>
<tr>
<td>Sales taxes</td>
</tr>
<tr>
<td>2,899,423</td>
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<tr>
<td>3,394,535</td>
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<tr>
<td>3,017,214</td>
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<tr>
<td>Franchise taxes</td>
</tr>
<tr>
<td>290,891</td>
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<tr>
<td>315,714</td>
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<tr>
<td>Other Taxes</td>
</tr>
<tr>
<td>196,028</td>
</tr>
<tr>
<td>197,476</td>
</tr>
<tr>
<td>Investment income</td>
</tr>
<tr>
<td>5,031</td>
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<tr>
<td>4,511</td>
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<td>Other Misc</td>
</tr>
<tr>
<td>8,443</td>
</tr>
<tr>
<td>13,853</td>
</tr>
<tr>
<td>13,853</td>
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<tr>
<td>Total revenues</td>
</tr>
<tr>
<td>$4,818,769</td>
</tr>
<tr>
<td>$1,013,920</td>
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<tr>
<td>$1,162,372</td>
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<tr>
<td>$6,078,168</td>
</tr>
<tr>
<td>$5,981,141</td>
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<tr>
<td>Program expenses:</td>
</tr>
<tr>
<td>General government</td>
</tr>
<tr>
<td>$1,505,943</td>
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<tr>
<td>$1,726,414</td>
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<tr>
<td>$1,505,943</td>
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<tr>
<td>Public safety</td>
</tr>
<tr>
<td>$1,306,744</td>
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<tr>
<td>$1,371,229</td>
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<tr>
<td>$1,306,744</td>
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<tr>
<td>Public works, Parks &amp;</td>
</tr>
<tr>
<td>Recreation</td>
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<tr>
<td>$1,413,693</td>
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<td>$1,269,272</td>
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<tr>
<td>Interest on long-term</td>
</tr>
<tr>
<td>debt</td>
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<td>$17,867</td>
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<td>50,229</td>
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<td>$145,113</td>
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<td>$165,208</td>
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<tr>
<td>Water</td>
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<tr>
<td>1,115,252</td>
</tr>
<tr>
<td>$1,115,252</td>
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<tr>
<td>$1,202,977</td>
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<tr>
<td>Total expenses</td>
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<td>$4,196,938</td>
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<td>$1,133,119</td>
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<td>$1,253,206</td>
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<td>$5,771,701</td>
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<td>$5,450,144</td>
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<tr>
<td>Increase (decrease) in</td>
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<tr>
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<tr>
<td>(119,199)</td>
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<tr>
<td>$306,467</td>
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<td>$530,997</td>
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<tr>
<td>Net Position 12/31/12</td>
</tr>
<tr>
<td>$10,295,373</td>
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<tr>
<td>$6,839,719</td>
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<tr>
<td>$17,135,092</td>
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<tr>
<td>Net Position 12/31/13</td>
</tr>
<tr>
<td>$10,917,204</td>
</tr>
<tr>
<td>$6,748,885</td>
</tr>
<tr>
<td>$17,666,089</td>
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</table>
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 69%. Property taxes are the second largest revenue source at 15% 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 4% of total revenues.
Business-type Activities

Charges for services account for 79% of the Town’s revenue for business-type activities. Sales taxes account for 9% and the remaining interest income, grants & contributions and miscellaneous revenue accounts for 12% 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, development and Development Services fees and increased franchise fees. Total revenues for the General Fund were $4,393,521, which was $148,792 over budget.

Significant balances and transactions for General Fund – Public Works Department expenditures include asphalt repairs & striping in Historic Monument in the amount of $15,875. The Town also spent $137,566 on a plow truck; $124,990 on an asphalt zipper, $16,700 on an infrared asphalt heater & $11,236 on street crack maintenance equipment; $101,310 for the CDOT grant match for the sidewalk project; $93,863 for a heavy duty truck and shop maintenance equipment; $23,536 spent to repave the intersection at Jackson Creek Parkway & Higby Road as well as working on Old Denver Highway road repairs in the amount of $61,894. The Police Department spent $60,000 for two new police cars.

The Water Department spent $84,860 on well repairs; $47,607 on the Town’s master water plan; $39,410 on a heavy duty truck and $12,587 on engineering for the bulk fill station.

The 2A Water ASD Fund spent $9,764 for transit loss.

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 3% COLA raises and had no layoffs in 2013.

Water Fund revenue was less than Budget by $370,718 due to decreased customer usage. Tap fee revenue in 2013 was $108,000 that was $17,000 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 $800,240 and Sales Tax Revenue was $91,543.

Water Fund actual budgetary expenses were approximately $58,190 below budget in 2013 due to decreased operations and maintenance funds being expended.
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 $4,717,863. Actual expenditures for 2013 were $4,734,678 an amount unfavorable to budgeted expenditures of $16,815. This negative variance was the result, in part, of the Town’s decision to pay for their use of water and tap fees not budgeted. 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, 2013 totaled $18,222,417 (net of accumulated depreciation). Water fund capital assets represent 40% of this total.

The capital projects for the Town’s governmental activities consisted Public Works Department expenditures include asphalt repairs & striping in Historic Monument in the amount of $15,875. The Town also spent $137,566 on a plow truck; $124,990 on an asphalt zipper, $16,700 on an infrared asphalt heater & $11,236 on street crack maintenance equipment; $101,310 for the CDOT grant match for the sidewalk project;$93,863 for a heavy duty truck and shop maintenance equipment; $23,536 spent to repave the intersection at Jackson Creek Parkway & Higby Road as well as working on Old Denver Highway road repairs in the amount of $61,894. The Police Department spent $60,000 for two new police cars.

The Water Department spent $84,860 on well repairs; $47,607 on the Town’s master water plan; $39,410 on a heavy duty truck and $12,587 on engineering for the bulk fill station.

The 2A Water ASD Fund spent $9,764 for transit loss.

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 $255,004 during 2013.

The Town’s long-term debt related to governmental activities decreased in 2013. Payments of $558,983 were made on bonds, loans and capital lease obligations during the year. The Town did enter into new lease agreements in 2013 in the amount of $419,303 for Capital equipment.

The Town’s long-term debt related to business-type activities decreased in 2013. Payments of $189,299 were made on bonds, loans and capital lease obligations. The Town did enter into new lease agreements in 2013 in the amount of $82,773 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 2013 was 7.2% down 2.10% from the 2012 average. This compares to the national average of 7.4% and state average of 6.5% for 2013.

Total land use permits issued in 2013 were 140, with 131 residential and 9 commercial. This is down 20 permits from 2012, with the decrease coming in new single family home new commercial permits. 2014 is expected to meet or be slightly higher than 2013 numbers.

Total retail sales tax is budgeted at $4,662,902 for 2014, which compares to $4,299,750 in 2013, an increase of 8.45%.

Property tax revenue is expected to increase $10,079 in 2014. This increase reflects a slight upswing in development over the previous year. The mill levy for 2014 is 6.289 mills, unchanged since 2008.

The 2014 budget includes capital projects for general asphalt repairs and repair to Old Denver Highway. There is money for the purchase of a wood chipper, two zero turn mowers, park & trail improvements and repairs to vacuum truck & road grader. Also included in the capital project for Public Works are repairs to the existing site. The Police Department will purchase MDC upgrades for the police vehicles along with purchasing two new vehicles. The Development Services Department will continue with sidewalk design and improvements. The Water Enterprise Fund has capital for completion of the bulk water fill station; Dam spillway improvements; continuing work on Water Master Plan; implementation of lawn irrigation return flows; 350 transponder change outs 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 and examining the zoning and subdivision ordinances. 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.
## TOWN OF MONUMENT, COLORADO

**STATEMENT OF NET POSITION**  
December 31, 2013

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>GOVERNMENTAL ACTIVITIES</th>
<th>BUSINESS TYPE ACTIVITIES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$ 2,010,825</td>
<td>$</td>
<td>$ 2,010,825</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>40,550</td>
<td>157,634</td>
<td>198,184</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>695,763</td>
<td>-</td>
<td>695,763</td>
</tr>
<tr>
<td>Sales and Other</td>
<td>964,298</td>
<td>-</td>
<td>964,298</td>
</tr>
<tr>
<td>Accounts</td>
<td>890</td>
<td>48,994</td>
<td>49,884</td>
</tr>
<tr>
<td>Grants</td>
<td>68,272</td>
<td>-</td>
<td>68,272</td>
</tr>
<tr>
<td>Interfund Amounts</td>
<td>199,677</td>
<td>(199,677)</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>576</td>
<td>-</td>
<td>576</td>
</tr>
<tr>
<td>Capital Assets, Not Depreciated</td>
<td>722,290</td>
<td>3,552,983</td>
<td>4,275,273</td>
</tr>
<tr>
<td>Capital Assets, Depreciated Net of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>10,120,081</td>
<td>3,827,063</td>
<td>13,947,144</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>14,823,222</td>
<td>7,386,997</td>
<td>22,210,219</td>
</tr>
</tbody>
</table>

| LIABILITIES                                         |                         |                          |       |
| Accounts Payable                                    | 392,394                 | 29,435                   | 421,829 |
| Accrued Salaries and Benefits                       | 81,749                  | 13,409                   | 95,158 |
| Accrued Interest                                    | 24,136                  | 11,865                   | 36,001 |
| Developer Escrow and Deposits                       | 99,730                  | 11,059                   | 110,789 |
| Noncurrent Liabilities                              |                         |                          |       |
| Due within One Year                                 | 576,354                 | 197,889                  | 774,243 |
| Due in More Than One Year                           | 1,610,226               | 493,654                  | 2,103,880 |
| **TOTAL LIABILITIES**                              | 2,784,589               | 757,311                  | 3,541,900 |

| DEFERRED INFLOW OF RESOURCES                        |                         |                          |       |
| Deferred Property Tax Revenue                       | 695,763                 | -                        | 695,763 |

| NET POSITION                                        |                         |                          |       |
| Net Investment in Capital Assets                    | 8,861,672               | 6,712,193                | 15,573,865 |
| Restricted for Emergencies                          | 182,000                 | -                        | 182,000 |
| Unrestricted, Unreserved                            | 2,299,198               | (82,507)                 | 2,216,691 |
| **TOTAL NET POSITION**                              | $ 11,342,870            | $ 6,629,686              | $ 17,972,556 |

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

### Year Ended December 31, 2013

**Program Revenues**

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$1,726,414</td>
<td>$178,675</td>
<td>$33,613</td>
<td>$</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,371,229</td>
<td>93,432</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Works</td>
<td>1,355,474</td>
<td>23,323</td>
<td>118,497</td>
<td>-</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>58,219</td>
<td>-</td>
<td></td>
<td>44,903</td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>127,246</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>4,638,582</td>
<td>295,430</td>
<td>152,110</td>
<td>44,903</td>
</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>1,115,252</td>
<td>800,240</td>
<td>-</td>
<td>108,000</td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>17,867</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Business-Type Activities</td>
<td>1,133,119</td>
<td>800,240</td>
<td>-</td>
<td>108,000</td>
</tr>
<tr>
<td>Total Primary Government</td>
<td>$5,771,701</td>
<td>$1,095,670</td>
<td>$152,110</td>
<td>$152,903</td>
</tr>
</tbody>
</table>

### General Revenues

- Sales Taxes
- Property Taxes
- Franchise Taxes
- Other Taxes
- Interest
- Other

**Total General Revenues**

### Change in Net Position

- Net Position, Beginning
- Net Position, Ending

---

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th>GOVERNMENTAL ACTIVITIES</th>
<th>BUSINESS-TYPE ACTIVITIES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (1,514,126)</td>
<td>$</td>
<td>$ (1,514,126)</td>
</tr>
<tr>
<td>(1,277,797)</td>
<td>-</td>
<td>(1,277,797)</td>
</tr>
<tr>
<td>(1,213,654)</td>
<td>-</td>
<td>(1,213,654)</td>
</tr>
<tr>
<td>(13,316)</td>
<td>-</td>
<td>(13,316)</td>
</tr>
<tr>
<td>(127,246)</td>
<td>-</td>
<td>(127,246)</td>
</tr>
<tr>
<td></td>
<td>(4,146,139)</td>
<td>(4,146,139)</td>
</tr>
<tr>
<td></td>
<td>(207,012)</td>
<td>(207,012)</td>
</tr>
<tr>
<td></td>
<td>(17,867)</td>
<td>(17,867)</td>
</tr>
<tr>
<td></td>
<td>(224,879)</td>
<td>(224,879)</td>
</tr>
<tr>
<td></td>
<td>(4,146,139)</td>
<td>(4,371,018)</td>
</tr>
<tr>
<td>3,302,992</td>
<td>91,543</td>
<td>3,394,535</td>
</tr>
<tr>
<td>751,396</td>
<td>-</td>
<td>751,396</td>
</tr>
<tr>
<td>315,714</td>
<td>-</td>
<td>315,714</td>
</tr>
<tr>
<td>197,476</td>
<td>-</td>
<td>197,476</td>
</tr>
<tr>
<td>4,227</td>
<td>284</td>
<td>4,511</td>
</tr>
<tr>
<td></td>
<td>13,853</td>
<td>13,853</td>
</tr>
<tr>
<td>4,571,805</td>
<td>105,680</td>
<td>4,677,485</td>
</tr>
<tr>
<td>425,666</td>
<td>(119,199)</td>
<td>306,467</td>
</tr>
<tr>
<td>10,917,204</td>
<td>6,748,885</td>
<td>17,666,089</td>
</tr>
<tr>
<td>$ 11,342,870</td>
<td>$ 6,629,686</td>
<td>$ 17,972,556</td>
</tr>
</tbody>
</table>
TOWN OF MONUMENT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>GENERAL FUND</th>
<th>2A WATER ASD FUND</th>
<th>OTHER GOVERNMENTAL FUNDS</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 372,620</td>
<td>$ 1,517,905</td>
<td>$ 120,300</td>
<td>$ 2,010,825</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>40,550</td>
<td>-</td>
<td></td>
<td>40,550</td>
</tr>
<tr>
<td>Property Taxes Receivable</td>
<td>695,763</td>
<td>-</td>
<td></td>
<td>695,763</td>
</tr>
<tr>
<td>Other Taxes Receivable</td>
<td>964,298</td>
<td>-</td>
<td></td>
<td>964,298</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>890</td>
<td>-</td>
<td></td>
<td>890</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>68,272</td>
<td>-</td>
<td></td>
<td>68,272</td>
</tr>
<tr>
<td>Due From Other Funds</td>
<td>199,677</td>
<td>-</td>
<td></td>
<td>199,677</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>576</td>
<td>-</td>
<td></td>
<td>576</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>2,342,646</td>
<td>1,517,905</td>
<td>120,300</td>
<td>3,980,851</td>
</tr>
</tbody>
</table>

|                       |              |                   |                          |           |
| LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY |

| LIABILITIES            |              |                   |                          |           |
| Accounts Payable       | 392,394      | -                  |                          | 392,394   |
| Accrued Salaries and Benefits | 81,749 | -                  |                          | 81,749    |
| Developer Escrow       | 99,730       | -                  |                          | 99,730    |
| **TOTAL LIABILITIES**  | 573,873      | -                  |                          | 573,873   |

| DEFERRED INFLOW OF RESOURCES |
| Deferred Property Tax Revenue | 695,763 | -                  |                          | 695,763   |

| FUND EQUITY            |              |                   |                          |           |
| Fund Balance           |              |                   |                          |           |
| Restricted for Emergencies | 182,000 | -                  | 9,631                    | 191,631   |
| Committed              | -            | 1,517,905         | 110,669                  | 1,628,574 |
| Unassigned             | 891,010      | -                  |                          | 891,010   |
| **TOTAL FUND EQUITY**  | 1,073,010    | 1,517,905         | 120,300                  | 2,711,215 |

| TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY | $ 2,342,646 | $ 1,517,905 | $ 120,300 | $ 2,711,215 |

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. 10,842,371

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 Payable of ($554,500), Capital Leases ($1,426,199), Accrued Compensated Absences ($205,881), and Accrued Interest Payable ($24,136). (2,210,716)

Net position of governmental activities $ 11,342,870

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th></th>
<th>GENERAL FUND</th>
<th>2A WATER ASD FUND</th>
<th>OTHER GOVERNMENTAL FUNDS</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 3,818,000</td>
<td>$ 396,531</td>
<td>$ 157,010</td>
<td>$ 4,371,541</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>23,960</td>
<td>-</td>
<td>47,245</td>
<td>71,205</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>107,470</td>
<td>-</td>
<td>23,323</td>
<td>130,793</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>348,147</td>
<td>-</td>
<td>44,903</td>
<td>393,050</td>
</tr>
<tr>
<td>Court</td>
<td>93,432</td>
<td>-</td>
<td>-</td>
<td>93,432</td>
</tr>
<tr>
<td>Interest</td>
<td>2,512</td>
<td>1,550</td>
<td>165</td>
<td>4,227</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>4,393,521</td>
<td>398,081</td>
<td>272,646</td>
<td>5,064,248</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>1,529,168</td>
<td>-</td>
<td>84,130</td>
<td>1,613,298</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,338,707</td>
<td>-</td>
<td>-</td>
<td>1,338,707</td>
</tr>
<tr>
<td>Public Works</td>
<td>707,787</td>
<td>21,835</td>
<td>-</td>
<td>729,622</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>-</td>
<td>-</td>
<td>38,651</td>
<td>38,651</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>439,483</td>
<td>-</td>
<td>119,500</td>
<td>558,983</td>
</tr>
<tr>
<td>Interest</td>
<td>65,600</td>
<td>-</td>
<td>37,510</td>
<td>103,110</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>646,971</td>
<td>-</td>
<td>-</td>
<td>646,971</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>4,727,716</td>
<td>21,835</td>
<td>279,791</td>
<td>5,029,342</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER</strong> (UNDER) EXPENDITURES</td>
<td>(334,195)</td>
<td>376,246</td>
<td>(7,145)</td>
<td>34,906</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Issuance of Debt</td>
<td>419,303</td>
<td>-</td>
<td>-</td>
<td>419,303</td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>-</td>
<td>6,962</td>
<td>6,962</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(6,962)</td>
<td>-</td>
<td>-</td>
<td>(6,962)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>412,341</td>
<td>-</td>
<td>6,962</td>
<td>419,303</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCES</strong></td>
<td>78,146</td>
<td>376,246</td>
<td>(183)</td>
<td>454,209</td>
</tr>
<tr>
<td><strong>FUND BALANCES, Beginning</strong></td>
<td>994,864</td>
<td>1,141,659</td>
<td>120,483</td>
<td>2,257,006</td>
</tr>
<tr>
<td><strong>FUND BALANCES, Ending</strong></td>
<td>$ 1,073,010</td>
<td>$ 1,517,905</td>
<td>$ 120,300</td>
<td>$ 2,711,215</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Changes in Fund Balances - Total Governmental Funds $ 454,209

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 depreciation ($800,443), exceeded capital outlay $646,971 in the current period. (153,472)

Capital lease proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities. (419,303)

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 payments of $119,500, payments of capital leases of $439,483, and change in accrued compensated absences of $9,385. 568,368

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 increase in accrued interest payable. (24,136)

Change in Net Position of Governmental Activities $ 425,666

The accompanying notes are an integral part of the financial statements.
TOWN OF MONUMENT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
December 31, 2013

| ASSETS | | | | |
|--------|--------|--------|--------|
| Current Assets | | | |
| Restricted Cash and Investments | $157,634 | | |
| Accounts Receivable | 48,994 | | |
| **Total Current Assets** | **206,628** | | |
| Noncurrent Assets | | | |
| Capital Assets, net of accumulated depreciation | 7,380,046 | | |
| **TOTAL ASSETS** | **7,586,674** | | |

| LIABILITIES | | | | |
|-------------|--------|--------|--------|
| Current Liabilities | | | |
| Accounts Payable | 29,435 | | |
| Accrued Expenses | 13,409 | | |
| Due to General Fund | 199,677 | | |
| Accrued Interest Payable | 11,865 | | |
| Leases Payable, Current Portion | 22,142 | | |
| Bonds Payable, Current Portion | 175,747 | | |
| **Total Current Liabilities** | **452,275** | | |
| Noncurrent Liabilities | | | |
| Deposits | 11,059 | | |
| Accrued Compensated Absences | 23,690 | | |
| Leases Payable | 38,041 | | |
| Bonds Payable | 431,923 | | |
| **Total Noncurrent Liabilities** | **504,713** | | |
| **TOTAL LIABILITIES** | **956,988** | | |

| NET POSITION | | | | |
|--------------|--------|--------|--------|
| Net Investment in Capital Assets | 6,712,193 | | |
| Restricted for Debt Service | 157,634 | | |
| Unreserved | (240,141) | | |
| **TOTAL NET POSITION** | **$ 6,629,686** | | |

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, 2013

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Services</td>
<td>$ 800,240</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>13,853</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>814,093</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations and Maintenance</td>
<td>284,203</td>
</tr>
<tr>
<td>Administrative and General</td>
<td>545,176</td>
</tr>
<tr>
<td>Depreciation</td>
<td>285,873</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>1,115,252</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING LOSS</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING LOSS</strong></td>
<td><strong>(301,159)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NON-OPERATING REVENUES (EXPENSES)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Taxes</td>
<td>91,543</td>
</tr>
<tr>
<td>Interest Income</td>
<td>284</td>
</tr>
<tr>
<td>Interest Expenses</td>
<td>(17,867)</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING REVENUES (EXPENSES)</strong></td>
<td><strong>73,960</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOSS BEFORE CAPITAL CONTRIBUTIONS</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Contributions</td>
<td>108,000</td>
</tr>
<tr>
<td><strong>NET LOSS</strong></td>
<td><strong>(119,199)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION, Beginning</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION, Beginning</strong></td>
<td><strong>6,748,885</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION, Ending</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION, Ending</strong></td>
<td><strong>$ 6,629,686</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Received from Customers</td>
<td>$800,950</td>
</tr>
<tr>
<td>Cash Received from Others</td>
<td>13,853</td>
</tr>
<tr>
<td>Cash Paid to Suppliers</td>
<td>(338,451)</td>
</tr>
<tr>
<td>Cash Paid to Employees</td>
<td>(342,027)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td><strong>134,325</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Received</td>
<td>91,543</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Capital Assets</td>
<td>(200,509)</td>
</tr>
<tr>
<td>Lease Proceeds</td>
<td>82,773</td>
</tr>
<tr>
<td>Bond Payments</td>
<td>(189,299)</td>
</tr>
<tr>
<td>Interest Payments</td>
<td>(42,440)</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>108,000</td>
</tr>
<tr>
<td>Deposits Received from Customers</td>
<td>900</td>
</tr>
<tr>
<td><strong>Net Cash Used by Capital and Related Financing Activities</strong></td>
<td><strong>(240,575)</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Received</td>
<td>284</td>
</tr>
</tbody>
</table>

Net Increase (Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td><strong>(14,423)</strong></td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS, Beginning

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, Beginning</strong></td>
<td><strong>172,057</strong></td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS, Ending

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, Ending</strong></td>
<td><strong>157,634</strong></td>
</tr>
</tbody>
</table>

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Loss</td>
<td>$(301,159)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>285,873</td>
</tr>
<tr>
<td>Changes in Assets and Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>710</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>196,483</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>(18,444)</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>(29,725)</td>
</tr>
<tr>
<td>Accrued Compensated Absences</td>
<td>587</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td><strong>435,484</strong></td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td><strong>134,325</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
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, 2013

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.
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
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.
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, 2013.

- **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.
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.

Legal Compliance

The Town’s General Fund actual expenditures and transfers out exceeded budgeted expenditures and transfers out by $16,815. This may be violation of State statute.
NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2013 follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>$ 1,250</td>
</tr>
<tr>
<td>Cash Deposits</td>
<td>269,150</td>
</tr>
<tr>
<td>Investments</td>
<td>1,938,609</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,209,009</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$ 2,010,825</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>198,184</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,209,009</strong></td>
</tr>
</tbody>
</table>

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, 2013 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, 2013, the Town had deposits with financial institutions with a carrying amount of $269,150. The bank balances with the financial institutions were $469,303, of which $451,711 was covered by FDIC.
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 $1,895,457 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.

State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations. At December 31, 2013, the Town had $43,152 invested in the Wells Fargo Government Money Market Fund, which was rated AAAm by Standards & Poor’s.
TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 3:  

DEPOSITS AND INVESTMENTS (Continued)

Restricted Cash

Cash is restricted for the following purposes:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve</td>
<td>$157,634</td>
</tr>
<tr>
<td>Debt Service Reserve</td>
<td>$40,550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$198,184</strong></td>
</tr>
</tbody>
</table>

**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, 2013, the Town’s water fund did not meet the required three month operating reserve which may be a violation of the loan agreement. In addition, the CWCB loan requires 10% of annual payment as a reserve or $16,809. For this purpose, the Town has restricted cash and investments of $157,634 at December 31, 2013.

**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 cash in the amount of $40,550 at December 31, 2013.
NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2013 is summarized below:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Balances</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets, not being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$722,290</td>
<td>-</td>
<td>-</td>
<td>$722,290</td>
</tr>
<tr>
<td>Capital Assets, being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>3,779,737</td>
<td>36,863</td>
<td>-</td>
<td>3,816,600</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>8,367,154</td>
<td>-</td>
<td>-</td>
<td>8,367,154</td>
</tr>
<tr>
<td>Water Rights</td>
<td>135,324</td>
<td>-</td>
<td>-</td>
<td>135,324</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>316,773</td>
<td>152,926</td>
<td>-</td>
<td>469,699</td>
</tr>
<tr>
<td>Vehicles and Street Equipment</td>
<td>1,274,606</td>
<td>254,565</td>
<td>-</td>
<td>1,529,171</td>
</tr>
<tr>
<td>Park Improvements</td>
<td>411,839</td>
<td>-</td>
<td>-</td>
<td>411,839</td>
</tr>
<tr>
<td>Street Improvements</td>
<td>3,085,473</td>
<td>202,617</td>
<td>-</td>
<td>3,288,090</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated</td>
<td>17,370,906</td>
<td>646,971</td>
<td>-</td>
<td>18,017,877</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>(719,468)</td>
<td>(121,991)</td>
<td>-</td>
<td>(841,459)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(3,531,534)</td>
<td>(278,905)</td>
<td>-</td>
<td>(3,810,439)</td>
</tr>
<tr>
<td>Water Rights</td>
<td>(10,219)</td>
<td>(2,707)</td>
<td>-</td>
<td>(12,926)</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>(284,986)</td>
<td>(21,659)</td>
<td>-</td>
<td>(306,645)</td>
</tr>
<tr>
<td>Vehicles and Street Equipment</td>
<td>(981,638)</td>
<td>(88,273)</td>
<td>-</td>
<td>(1,069,911)</td>
</tr>
<tr>
<td>Park Improvements</td>
<td>(203,506)</td>
<td>(19,568)</td>
<td>-</td>
<td>(223,074)</td>
</tr>
<tr>
<td>Street Improvements</td>
<td>(1,366,002)</td>
<td>(267,340)</td>
<td>-</td>
<td>(1,633,342)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(7,097,353)</td>
<td>(800,443)</td>
<td>-</td>
<td>(7,897,796)</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated, net</td>
<td>10,273,553</td>
<td>(153,472)</td>
<td>-</td>
<td>10,120,081</td>
</tr>
<tr>
<td>Governmental Activities Capital Assets, net</td>
<td>$10,995,843</td>
<td>$(153,472)</td>
<td>-</td>
<td>$10,842,371</td>
</tr>
</tbody>
</table>

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

**Governmental Activities**

<table>
<thead>
<tr>
<th>Program</th>
<th>Depreciation Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$124,219</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$20,944</td>
</tr>
<tr>
<td>Public Works</td>
<td>$572,676</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>$20,833</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$738,672</strong></td>
</tr>
</tbody>
</table>
**NOTE 4: CAPITAL ASSETS (Continued)**

<table>
<thead>
<tr>
<th></th>
<th>Balances</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12/31/2012</strong></td>
<td><strong>2013</strong></td>
<td><strong>2013</strong></td>
<td><strong>2013</strong></td>
<td><strong>2013</strong></td>
</tr>
<tr>
<td><strong>Business-type Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets, not being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Master Plan</td>
<td>$586,111</td>
<td>$47,607</td>
<td></td>
<td>$633,718</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>2,919,265</td>
<td></td>
<td></td>
<td>2,919,265</td>
</tr>
<tr>
<td>Total Capital Assets, not being depreciated</td>
<td>3,505,376</td>
<td>47,607</td>
<td></td>
<td>3,552,983</td>
</tr>
<tr>
<td>Capital Assets, being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Rights</td>
<td>125,000</td>
<td></td>
<td></td>
<td>125,000</td>
</tr>
<tr>
<td>Alluvium Wells</td>
<td>420,392</td>
<td></td>
<td></td>
<td>420,392</td>
</tr>
<tr>
<td>Public Works Building</td>
<td>113,800</td>
<td></td>
<td></td>
<td>113,800</td>
</tr>
<tr>
<td>Iron Treatment Plant</td>
<td>287,854</td>
<td></td>
<td></td>
<td>287,854</td>
</tr>
<tr>
<td>Water Treatment Plant</td>
<td>1,199,322</td>
<td></td>
<td></td>
<td>1,199,322</td>
</tr>
<tr>
<td>Other Equipment</td>
<td>622,742</td>
<td>17,587</td>
<td></td>
<td>640,329</td>
</tr>
<tr>
<td>Slabaugh Well</td>
<td>191,390</td>
<td></td>
<td></td>
<td>191,390</td>
</tr>
<tr>
<td>Wells/Treatment</td>
<td>7,420,092</td>
<td>84,860</td>
<td></td>
<td>7,504,952</td>
</tr>
<tr>
<td>Transmission &amp; Distribution</td>
<td>1,535,513</td>
<td>11,046</td>
<td></td>
<td>1,546,559</td>
</tr>
<tr>
<td>Vehicles</td>
<td>238,749</td>
<td>39,409</td>
<td></td>
<td>278,158</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated</td>
<td>12,154,854</td>
<td>152,902</td>
<td></td>
<td>12,307,756</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Rights</td>
<td>(47,500)</td>
<td>(2,500)</td>
<td></td>
<td>(50,000)</td>
</tr>
<tr>
<td>Alluvium Wells</td>
<td>(342,076)</td>
<td>(15,241)</td>
<td></td>
<td>(357,317)</td>
</tr>
<tr>
<td>Public Works Building</td>
<td>(22,758)</td>
<td>(3,793)</td>
<td></td>
<td>(26,551)</td>
</tr>
<tr>
<td>Iron Treatment Plant</td>
<td>(235,079)</td>
<td>(9,595)</td>
<td></td>
<td>(244,674)</td>
</tr>
<tr>
<td>Water Treatment Plant</td>
<td>(267,039)</td>
<td>(39,978)</td>
<td></td>
<td>(307,017)</td>
</tr>
<tr>
<td>Other Equipment</td>
<td>(542,091)</td>
<td>(21,263)</td>
<td></td>
<td>(563,354)</td>
</tr>
<tr>
<td>Slabaugh Well</td>
<td>(78,473)</td>
<td>(3,828)</td>
<td></td>
<td>(82,301)</td>
</tr>
<tr>
<td>Wells/Treatment</td>
<td>(4,997,657)</td>
<td>(156,051)</td>
<td></td>
<td>(5,153,708)</td>
</tr>
<tr>
<td>Transmission &amp; Distribution</td>
<td>(1,441,260)</td>
<td>(22,540)</td>
<td></td>
<td>(1,463,800)</td>
</tr>
<tr>
<td>Vehicles</td>
<td>(220,887)</td>
<td>(11,084)</td>
<td></td>
<td>(231,971)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(8,194,820)</td>
<td>(285,873)</td>
<td></td>
<td>(8,480,693)</td>
</tr>
<tr>
<td>Total Capital Assets, being depreciated, net</td>
<td>3,960,034</td>
<td>(132,971)</td>
<td></td>
<td>3,827,063</td>
</tr>
<tr>
<td>Business-type Activities Capital Assets, net</td>
<td><strong>7,465,410</strong></td>
<td><strong>(85,364)</strong></td>
<td></td>
<td><strong>7,380,046</strong></td>
</tr>
</tbody>
</table>
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, 2013.

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balance 12/31/2012</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance 12/31/2013</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979 GO Water Bonds</td>
<td>$ 39,000</td>
<td>$ -</td>
<td>$ 4,500</td>
<td>$ 34,500</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>1997 CWRPDA Loan</td>
<td>635,000</td>
<td>-</td>
<td>115,000</td>
<td>520,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>1,446,379</td>
<td>419,303</td>
<td>439,483</td>
<td>1,426,199</td>
<td>451,354</td>
</tr>
<tr>
<td>Accrued Compensated Absences</td>
<td>215,266</td>
<td>-</td>
<td>9,385</td>
<td>205,881</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>$ 2,335,645</strong></td>
<td><strong>$ 419,303</strong></td>
<td><strong>$ 568,368</strong></td>
<td><strong>$ 2,186,580</strong></td>
<td><strong>$ 576,354</strong></td>
</tr>
</tbody>
</table>

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, 2013

NOTE 5: **LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

Annual debt service requirements for the outstanding bonds at December 31, 2013 are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$ 125,000</td>
<td>$ 30,845</td>
<td>$ 155,845</td>
</tr>
<tr>
<td>2015</td>
<td>130,000</td>
<td>23,875</td>
<td>153,875</td>
</tr>
<tr>
<td>2016</td>
<td>140,500</td>
<td>16,625</td>
<td>157,125</td>
</tr>
<tr>
<td>2017</td>
<td>145,500</td>
<td>8,790</td>
<td>154,290</td>
</tr>
<tr>
<td>2018</td>
<td>6,500</td>
<td>675</td>
<td>7,175</td>
</tr>
<tr>
<td>2019</td>
<td>7,000</td>
<td>350</td>
<td>7,350</td>
</tr>
</tbody>
</table>

$ 554,500 $ 81,160 $ 635,660

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2013.

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$ 505,083</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>505,191</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>466,648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>70,733</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Minimum Lease Payments $1,547,655

Less: Interest (121,456)

Present Value of Future Minimum Lease Payments $1,426,199
NOTE 5: **LONG-TERM DEBT** (Continued)

**Business-Type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2013.

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Balance 12/31/2012</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance 12/31/2013</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995 GO Water Refunding Bonds</td>
<td>$143,800</td>
<td>$-</td>
<td>$33,300</td>
<td>$110,500</td>
<td>$35,000</td>
</tr>
<tr>
<td>2002 CWCB Loan</td>
<td>630,579</td>
<td>-</td>
<td>133,409</td>
<td>497,170</td>
<td>140,747</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>-</td>
<td>82,773</td>
<td>22,590</td>
<td>60,183</td>
<td>22,142</td>
</tr>
<tr>
<td>Accrued Compensated Absences</td>
<td>23,103</td>
<td>587</td>
<td>-</td>
<td>23,690</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$797,482</strong></td>
<td><strong>83,360</strong></td>
<td><strong>189,299</strong></td>
<td><strong>$691,543</strong></td>
<td><strong>$197,889</strong></td>
</tr>
</tbody>
</table>

**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, 2013.

**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.
NOTE 5: **LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

Annual debt service requirements for the outstanding bonds at December 31, 2013 are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$175,747</td>
<td>$32,564</td>
<td>$208,311</td>
</tr>
<tr>
<td>2015</td>
<td>185,388</td>
<td>23,006</td>
<td>208,394</td>
</tr>
<tr>
<td>2016</td>
<td>195,255</td>
<td>12,925</td>
<td>208,180</td>
</tr>
<tr>
<td>2017</td>
<td>51,279</td>
<td>2,820</td>
<td>54,099</td>
</tr>
</tbody>
</table>

**Year Ended December 31**

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>23,401</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>23,293</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>8,596</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>7,411</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Minimum Lease Payments 62,701

Less: Interest  (2,518)

Present Value of Future Minimum Lease Payments $60,183

**Conduit Debt**

In December 2009, the Town issued St. Peter Catholic School Project Development Revenue Bonds to provide financial assistance to a private sector entity to acquire equipment and to construct and renovate certain buildings and educational facilities deemed in the public interest. 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. The bonds were paid in full during 2013.
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, 2013, the Town and employee contributions were $14,964, equal to the required contribution.

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, 2013, the Town contributions were $86,452, 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.
NOTE 7:  PUBLIC ENTITY RISK POOL  (Continued)

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.

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, 2013, the emergency reserve of $182,000 was recorded in the General Fund.
REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF MONUMENT, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Positive) (Negative)</td>
</tr>
<tr>
<td>Taxes</td>
<td>$3,615,236</td>
<td>$3,818,000</td>
<td>$202,764</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>21,200</td>
<td>23,960</td>
<td>2,760</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>80,600</td>
<td>107,470</td>
<td>26,870</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>391,693</td>
<td>348,147</td>
<td>(43,546)</td>
</tr>
<tr>
<td>Court</td>
<td>131,000</td>
<td>93,432</td>
<td>(37,568)</td>
</tr>
<tr>
<td>Interest</td>
<td>5,000</td>
<td>2,512</td>
<td>(2,488)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>4,244,729</td>
<td>4,393,521</td>
<td>148,792</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>1,424,294</td>
<td>1,529,168</td>
<td>(104,874)</td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,363,452</td>
<td>1,338,707</td>
<td>24,745</td>
</tr>
<tr>
<td>Public Works</td>
<td>690,200</td>
<td>707,787</td>
<td>(17,587)</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>775,865</td>
<td>646,971</td>
<td>128,894</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>464,052</td>
<td>439,483</td>
<td>24,569</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>65,600</td>
<td>(65,600)</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>4,717,863</td>
<td>4,727,716</td>
<td>(9,853)</td>
</tr>
</tbody>
</table>

| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (473,134) | (334,195) | 138,939 |

<table>
<thead>
<tr>
<th>OTHER FINANCING SOURCES (USES)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Issuance of Debt</td>
<td>580,865</td>
<td>419,303</td>
<td>(161,562)</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(6,962)</td>
<td>(6,962)</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>580,865</td>
<td>412,341</td>
<td>(168,524)</td>
</tr>
</tbody>
</table>

| NET CHANGE IN FUND BALANCE    | 107,731           | 78,146 | (29,585) |

| FUND BALANCE, Beginning       | 863,671           | 994,864| 131,193  |

| FUND BALANCE, Ending          | $971,402          | $1,073,010 | $101,608 |

See the accompanying Independent Auditors' Report.

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## TOWN OF MONUMENT, COLORADO

### 2A WATER ASD FUND

**BUDGETARY COMPARISON SCHEDULE**

Year Ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$ 336,459</td>
<td>$ 396,531</td>
<td>$ 60,072</td>
</tr>
<tr>
<td>Interest</td>
<td>2,500</td>
<td>1,550</td>
<td>(950)</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>338,959</td>
<td>398,081</td>
<td>59,122</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works</td>
<td>10,000</td>
<td>21,835</td>
<td>(11,835)</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1,061,150</td>
<td>-</td>
<td>1,061,150</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>1,071,150</td>
<td>21,835</td>
<td>1,049,315</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>(732,191)</td>
<td>376,246</td>
<td>1,108,437</td>
</tr>
<tr>
<td>FUND BALANCE, Beginning</td>
<td>732,191</td>
<td>852,735</td>
<td>120,544</td>
</tr>
<tr>
<td>FUND BALANCE, Ending</td>
<td>$ -</td>
<td>$ 1,228,981</td>
<td>$ 1,228,981</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.

27
COMBINING AND INDIVIDUAL FUND SCHEDULES
### SPECIAL REVENUE FUNDS

<table>
<thead>
<tr>
<th></th>
<th>COMMUNITY DEVELOPMENT FUND</th>
<th>CONSERVATION TRUST FUND</th>
<th>TRAFFIC IMPACT FEE FUND</th>
<th>STORM DRAINAGE IMPACT FEE FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 1,119</td>
<td>$ 9,631</td>
<td>$ 71,713</td>
<td>$ 37,837</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 1,119</td>
<td>$ 9,631</td>
<td>$ 71,713</td>
<td>$ 37,837</td>
</tr>
<tr>
<td><strong>FUND EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>$ -</td>
<td>$ 9,631</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Committed</td>
<td>1,119</td>
<td>-</td>
<td>71,713</td>
<td>37,837</td>
</tr>
<tr>
<td><strong>TOTAL FUND EQUITY</strong></td>
<td>$ 1,119</td>
<td>$ 9,631</td>
<td>$ 71,713</td>
<td>$ 37,837</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
<table>
<thead>
<tr>
<th>DEBT SERVICE FUND</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$120,300</td>
</tr>
<tr>
<td>$</td>
<td>$120,300</td>
</tr>
<tr>
<td>$</td>
<td>$9,631</td>
</tr>
<tr>
<td>$</td>
<td>$110,669</td>
</tr>
<tr>
<td>$</td>
<td>$120,300</td>
</tr>
</tbody>
</table>
## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Year Ended December 31, 2013

#### Special Revenue Funds

<table>
<thead>
<tr>
<th></th>
<th>Community Development Fund</th>
<th>Conservation Trust Fund</th>
<th>Traffic Impact Fee Fund</th>
<th>Storm Drainage Impact Fee Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>$47,245</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>44,903</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>17,030</td>
<td>6,293</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>41</td>
<td>6</td>
<td>76</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>47,286</td>
<td>44,909</td>
<td>17,106</td>
<td>6,335</td>
</tr>
</tbody>
</table>

|                              |                            |                         |                         |                               |
| **Expenditures**             |                            |                         |                         |                               |
| General Government           | 84,130                     | -                       | -                       | -                             |
| Parks and Recreation         | -                          | 38,651                  | -                       | -                             |
| Debt Service                 |                            |                         |                         |                               |
| Principal                    | -                          | -                       | -                       | -                             |
| Interest and Fiscal Charges  | -                          | -                       | -                       | -                             |
| **Total Expenditures**       | 84,130                     | 38,651                  | -                       | -                             |

| **Excess of Revenues Over (Under) Expenditures** | (36,844) | 6,258 | 17,106 | 6,335 |

| **Other Financing Sources (Uses)** |                            |                         |                         |                               |
| Transfers In                   | 6,962                      | -                       | -                       | -                             |

| **Change in Fund Balances**    | (29,882)                   | 6,258                   | 17,106                  | 6,335                         |

| **Fund Balances, Beginning**   | 31,001                     | 3,373                   | 54,607                  | 31,502                        |

| **Fund Balances, Ending**      | $1,119                     | $9,631                  | $71,713                 | $37,837                       |

See the accompanying Independent Auditors' Report.
<table>
<thead>
<tr>
<th>DEBT SERVICE FUND</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$ 47,245</td>
</tr>
<tr>
<td>-</td>
<td>44,903</td>
</tr>
<tr>
<td>-</td>
<td>23,323</td>
</tr>
<tr>
<td>157,010</td>
<td>157,010</td>
</tr>
<tr>
<td>-</td>
<td>165</td>
</tr>
<tr>
<td>157,010</td>
<td>272,646</td>
</tr>
<tr>
<td>-</td>
<td>84,130</td>
</tr>
<tr>
<td>-</td>
<td>38,651</td>
</tr>
<tr>
<td>119,500</td>
<td>119,500</td>
</tr>
<tr>
<td>37,510</td>
<td>37,510</td>
</tr>
<tr>
<td>157,010</td>
<td>279,791</td>
</tr>
<tr>
<td>-</td>
<td>(7,145)</td>
</tr>
<tr>
<td>-</td>
<td>6,962</td>
</tr>
<tr>
<td>-</td>
<td>(183)</td>
</tr>
<tr>
<td>-</td>
<td>120,483</td>
</tr>
<tr>
<td>$</td>
<td>$ 120,300</td>
</tr>
</tbody>
</table>


TOWN OF MONUMENT, COLORADO  
COMMUNITY DEVELOPMENT FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Licenses</td>
<td>$ 46,875</td>
<td>$ 47,245</td>
<td>$ 370</td>
</tr>
<tr>
<td>Interest</td>
<td>100</td>
<td>41</td>
<td>(59)</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>46,975</td>
<td>47,286</td>
<td>311</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>53,438</td>
<td>84,130</td>
<td>(30,692)</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>31,500</td>
<td>-</td>
<td>31,500</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>84,938</td>
<td>84,130</td>
<td>808</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(37,963)</td>
<td>(36,844)</td>
<td>1,119</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>6,962</td>
<td>6,962</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>(37,963)</td>
<td>(29,882)</td>
<td>8,081</td>
</tr>
<tr>
<td>FUND BALANCE, Beginning</td>
<td>37,963</td>
<td>31,001</td>
<td>(6,962)</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Ending</strong></td>
<td>$ -</td>
<td>$ 1,119</td>
<td>$ 1,119</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lottery Revenues</td>
<td>$42,546</td>
<td>$44,903</td>
<td>$2,357</td>
</tr>
<tr>
<td>Interest</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>42,552</td>
<td>44,909</td>
<td>2,357</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>44,664</td>
<td>38,651</td>
<td>6,013</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>44,664</td>
<td>38,651</td>
<td>6,013</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>(2,112)</td>
<td>6,258</td>
<td>8,370</td>
</tr>
<tr>
<td>FUND BALANCE, Beginning</td>
<td>2,112</td>
<td>3,373</td>
<td>1,261</td>
</tr>
<tr>
<td>FUND BALANCE, Ending</td>
<td>$</td>
<td>$9,631</td>
<td>$9,631</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Variance Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic Impact Fees</td>
<td>$48,000</td>
<td>$17,030</td>
<td>$(30,970)</td>
</tr>
<tr>
<td>Interest</td>
<td>102</td>
<td>76</td>
<td>(26)</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>48,102</td>
<td>17,106</td>
<td>(30,996)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>48,102</td>
<td>-</td>
<td>48,102</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>17,106</td>
<td>17,106</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Beginning</strong></td>
<td>-</td>
<td>54,607</td>
<td>54,607</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Ending</strong></td>
<td>$-</td>
<td>$71,713</td>
<td>$71,713</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm Drainage Impact Fees</td>
<td>$ 16,000</td>
<td>$ 6,293</td>
<td>$ (9,707)</td>
</tr>
<tr>
<td>Interest</td>
<td>12</td>
<td>42</td>
<td>30</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>16,012</td>
<td>6,335</td>
<td>(9,677)</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>16,012</td>
<td>-</td>
<td>16,012</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>16,012</td>
<td>-</td>
<td>16,012</td>
</tr>
<tr>
<td>NET CHANGE IN FUND BALANCE</td>
<td>-</td>
<td>6,335</td>
<td>6,335</td>
</tr>
<tr>
<td>FUND BALANCE, Beginning</td>
<td>-</td>
<td>31,502</td>
<td>31,502</td>
</tr>
<tr>
<td>FUND BALANCE, Ending</td>
<td>$ -</td>
<td>$ 37,837</td>
<td>$ 37,837</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
## DEBT SERVICE FUND
### BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$ 157,010</td>
<td>$ 157,010</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>157,010</td>
<td>157,010</td>
<td>-</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>119,500</td>
<td>119,500</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>37,510</td>
<td>37,510</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>157,010</td>
<td>157,010</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Beginning</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Ending</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
## Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Services</td>
<td>$1,099,929</td>
<td>$800,240</td>
<td>$(299,689)</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>100,982</td>
<td>91,543</td>
<td>$(9,439)</td>
</tr>
<tr>
<td>Tap Fees</td>
<td>125,000</td>
<td>108,000</td>
<td>$(17,000)</td>
</tr>
<tr>
<td>Lease Proceeds</td>
<td>136,000</td>
<td>82,773</td>
<td>$(53,227)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>500</td>
<td>284</td>
<td>$(216)</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>5,000</td>
<td>13,853</td>
<td>8,853</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,467,411</td>
<td>1,096,693</td>
<td>$(370,718)</td>
</tr>
</tbody>
</table>

## Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations and Maintenance</td>
<td>295,570</td>
<td>284,203</td>
<td>11,367</td>
</tr>
<tr>
<td>Administration and General</td>
<td>573,135</td>
<td>545,176</td>
<td>27,959</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>193,000</td>
<td>200,509</td>
<td>$(7,509)</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>191,910</td>
<td>189,299</td>
<td>2,611</td>
</tr>
<tr>
<td>Interest</td>
<td>41,629</td>
<td>17,867</td>
<td>23,762</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>1,295,244</td>
<td>1,237,054</td>
<td>58,190</td>
</tr>
</tbody>
</table>

**Net Income, Budget Basis**

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$172,167</td>
<td>$(140,361)</td>
<td>$(312,528)</td>
<td></td>
</tr>
</tbody>
</table>

## GAAP Basis Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Outlay</td>
<td>200,509</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$(285,873)</td>
</tr>
<tr>
<td>Proceeds from Issuance of Debt</td>
<td>$(82,773)</td>
</tr>
<tr>
<td>Principal Paid on Long-Term Debt</td>
<td>189,299</td>
</tr>
<tr>
<td><strong>Net Income, GAAP Basis</strong></td>
<td>$(119,199)</td>
</tr>
</tbody>
</table>

**Net Position, Beginning**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,748,885</td>
</tr>
</tbody>
</table>

**Net Position, Ending**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,629,686</td>
</tr>
</tbody>
</table>
STATE COMPLIANCE
See the accompanying Independent Auditors' Report.
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.3. Other local imposts:</td>
<td></td>
<td>A.4. Miscellaneous local receipts:</td>
<td></td>
</tr>
<tr>
<td>a. Property Taxes and Assessments</td>
<td>0</td>
<td>a. Interest on investments</td>
<td>0</td>
</tr>
<tr>
<td>b. Other local imposts:</td>
<td></td>
<td>b. Traffic Fines and Penalties</td>
<td>56,611</td>
</tr>
<tr>
<td>1. Sales Taxes</td>
<td>0</td>
<td>c. Parking Garage Fees</td>
<td>0</td>
</tr>
<tr>
<td>2. Infrastructure &amp; Impact Fees</td>
<td>23,322</td>
<td>d. Parking Meter Fees</td>
<td>0</td>
</tr>
<tr>
<td>3. Liens</td>
<td>0</td>
<td>e. Sale of Surplus Property</td>
<td>0</td>
</tr>
<tr>
<td>4. Licenses</td>
<td>2,300</td>
<td>f. Charges for Services</td>
<td>0</td>
</tr>
<tr>
<td>5. Specific Ownership &amp;/or Other</td>
<td>86,283</td>
<td>g. Other Misc. Receipts</td>
<td>0</td>
</tr>
<tr>
<td>6. Total (1. through 5.)</td>
<td>111,906</td>
<td>h. Other</td>
<td>0</td>
</tr>
<tr>
<td>c. Total (a. + b.)</td>
<td>111,906</td>
<td>i. Total (a. through h.)</td>
<td>56,611</td>
</tr>
</tbody>
</table>

(Carry forward to page 1)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Receipts from State Government</td>
<td></td>
</tr>
<tr>
<td>1. Highway-user taxes</td>
<td>196,037</td>
</tr>
<tr>
<td>2. State general funds</td>
<td></td>
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<tr>
<td>3. Other State funds:</td>
<td></td>
</tr>
<tr>
<td>a. State bond proceeds</td>
<td></td>
</tr>
<tr>
<td>b. Project Match</td>
<td></td>
</tr>
<tr>
<td>c. Motor Vehicle Registration</td>
<td>24,507</td>
</tr>
<tr>
<td>d. Other (Specify)</td>
<td>0</td>
</tr>
<tr>
<td>e. Other (Specify)</td>
<td>0</td>
</tr>
<tr>
<td>f. Total (a. through e.)</td>
<td>24,507</td>
</tr>
<tr>
<td>4. Total (1. + 2. + 3.f)</td>
<td>220,544</td>
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<table>
<thead>
<tr>
<th>ITEM</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>D. Receipts from Federal Government</td>
<td></td>
</tr>
<tr>
<td>1. FHWA (from Item 1.D.5.)</td>
<td></td>
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<tr>
<td>2. Other Federal agencies:</td>
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</tr>
<tr>
<td>a. Forest Service</td>
<td>0</td>
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<tr>
<td>b. FEMA</td>
<td>0</td>
</tr>
<tr>
<td>c. HUD</td>
<td>0</td>
</tr>
<tr>
<td>d. Federal Transit Admin</td>
<td>0</td>
</tr>
<tr>
<td>e. U.S. Corps of Engineers</td>
<td>0</td>
</tr>
<tr>
<td>f. Other Federal</td>
<td>0</td>
</tr>
<tr>
<td>g. Total (a. through f.)</td>
<td>0</td>
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<tr>
<td>3. Total (1. + 2.g)</td>
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</tbody>
</table>

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III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

<table>
<thead>
<tr>
<th>ON NATIONAL HIGHWAY SYSTEM (a)</th>
<th>OFF NATIONAL HIGHWAY SYSTEM (b)</th>
<th>TOTAL (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1. Capital outlay:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Right-Of-Way Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>b. Engineering Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>c. Construction:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1). New Facilities</td>
<td>0</td>
<td>396,354</td>
</tr>
<tr>
<td>(2). Capacity Improvements</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(3). System Preservation</td>
<td>0</td>
<td>121,998</td>
</tr>
<tr>
<td>(4). System Enhancement &amp; Operation</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(5). Total Construction (1)+ (2)+ (3)+ (4)</td>
<td>0</td>
<td>518,352</td>
</tr>
<tr>
<td>d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)</td>
<td>0</td>
<td>518,352</td>
</tr>
</tbody>
</table>

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Notes and Comments: