

**TOWN OF MONUMENT, COLORADO**

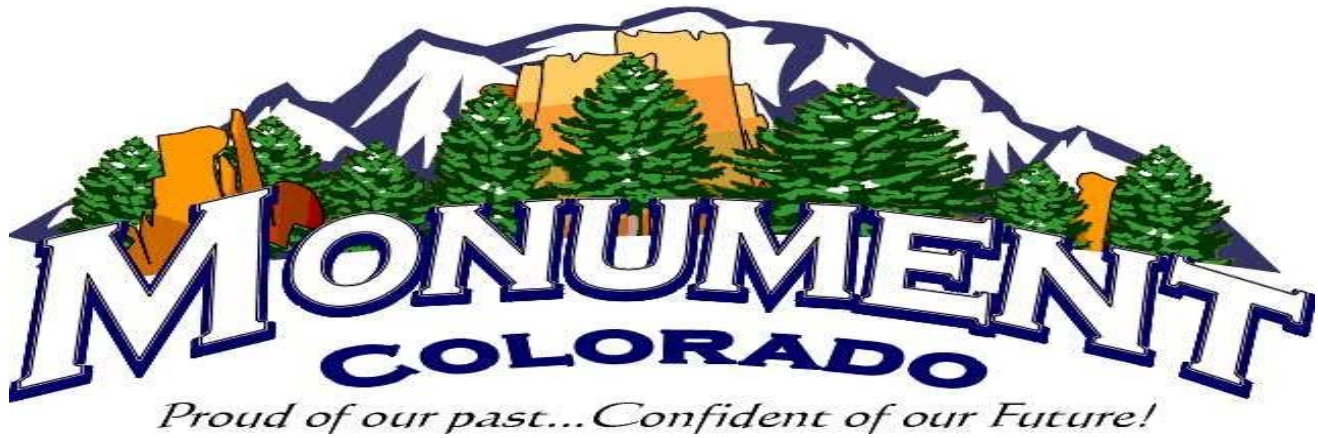
**BASIC FINANCIAL STATEMENTS**

**December 31, 2015**



**Logan and Associates, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

## INTRODUCTORY SECTION



**TOWN OF MONUMENT, COLORADO**  
**BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**BOARD OF TRUSTEES**

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

**ADMINISTRATIVE STAFF**

Chris Lowe – Town Manager  
Pamela Smith – Town Treasurer  
Cynthia Sirochman – Town Clerk  
Jacob Shirk – Chief of Police  
Thomas Tharnish – Public Works Director  
Larry Manning – Planning Director

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## FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Monument, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Comparative Financial Information*

The comparative financial information for the prior year has been presented in the accompanying financial statements in order to provide an analysis of changes in the Town's financial position and operations. However, complete comparative financial information has not been presented in accordance with generally accepted accounting principles since its inclusion would make the financial statements cumbersome and difficult to read. The comparative financial information was derived from the Town's financial statements for the year ended December 31, 2014, by which a report dated July 21, 2015 expressed an unmodified opinion.

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules, and the state compliance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the state compliance are fairly stated in all material respects in relation to the financial statements as a whole.

*Logan and Associates, LLC*

Aurora, Colorado  
June 13, 2016



## 2015 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, 2015. 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 2015 by \$19,729,863 (net position). Of this amount, \$2,226,455 (unrestricted net position) may be used for the Town's obligations to citizens and creditors.
- At December 31, 2015, the Town of Monument's governmental funds reported combined ending fund balances of \$2,995,325 an increase of \$170,674 in comparison with the prior year. \$891,867 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 \$930,867, or 19.2% of the total General Fund expenditures. This is an increase of 5.9% from the prior year.
- Sales and use taxes revenue, the Town's largest source of revenue was \$3,935,867 for 2015 as compared to \$3,554,420 for the prior year, an increase of 10.7%. The key factor for this was an increase in commercial and residential development and a more robust economy in 2015.

### Using This Annual Report

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

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

### Government-wide Financial Statements

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

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

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

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Monument, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

### Financial Analysis of the Town as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. This is the 12<sup>th</sup> year the Town has reported using the GASB 34 model. Comparisons of 2014 to 2015 follow. In the case of the Town of Monument, assets exceeded liabilities by \$19,449,638 at the end of 2014 and at the end of 2015 by \$19,729,863 an increase in Total Net Position of \$280,225 or 1.5%.

Assets	2015	2014	2015	2014	2015	2014
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
Current and other assets	\$4,386,649	\$4,247,110	\$ 473,802	\$ 527,539	\$ 4,860,451	\$ 4,774,649
Capital assets, net	10,368,850	10,988,333	7,394,388	7,328,453	17,763,238	18,316,786
Total assets	14,755,499	15,235,443	7,868,190	7,855,992	22,623,689	23,091,435
<b>Liabilities</b>						
Long term liabilities	434,533	985,774	100,870	295,984	535,403	1,281,758
Other liabilities	1,292,055	1,357,764	301,208	307,175	1,593,263	1,664,939
Total liabilities	1,726,588	2,343,538	402,078	603,159	2,128,666	2,946,697
<b>Deferred Inflow of Resources</b>						
Deferred Property Tax Revenue	765,160	695,100	-	-	765,160	695,100
<b>Net Position</b>						
Net investment in capital assets	9,501,983	9,564,008	7,132,446	6,858,489	16,634,429	16,422,497
Restricted	177,170	215,172	691,809	691,809	868,979	906,981
Unrestricted	2,584,598	2,417,625	(358,143)	(297,465)	2,226,455	2,120,160
<b>Total net position</b>	<b>\$12,263,751</b>	<b>\$12,196,805</b>	<b>\$7,466,112</b>	<b>\$7,252,833</b>	<b>\$19,729,863</b>	<b>\$19,449,638</b>

The largest portion of the Town of Monument's net position (84%) 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 (4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$2,226,455, may be used to meet the Town's ongoing obligations to citizens and creditors.

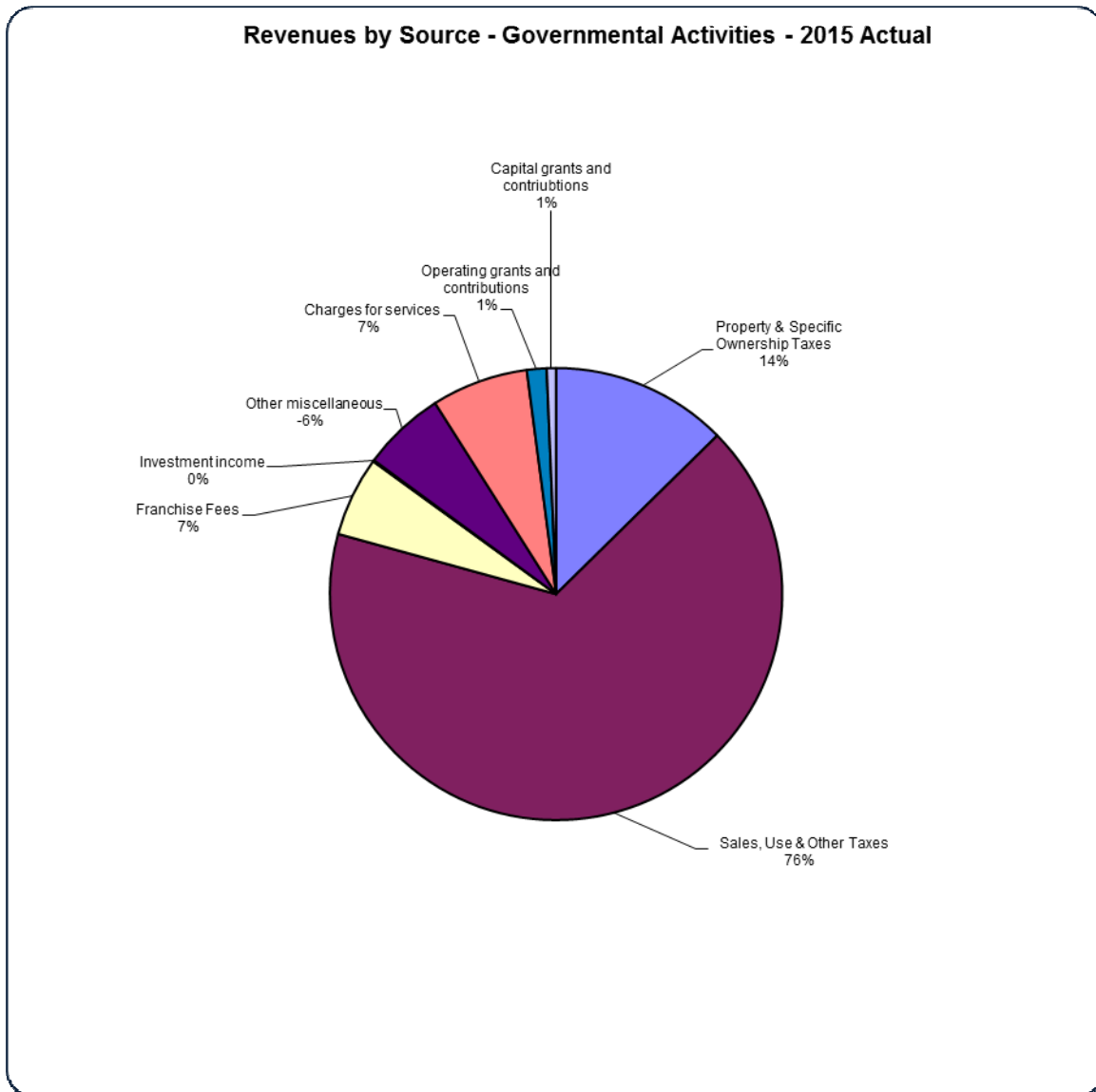
## Changes in Net Position

The Town's net position increased \$280,225 during 2015. Governmental Activities reported an \$66,946 increase, with sales tax revenue and property taxes being the largest contributors.

<u>CHANGES IN NET POSITION</u>						
	2015 Governmental Type Activities	2014 Governmental Type Activities	2015 Business Type Activities	2014 Business Type Activities	2015 Total	2014 Total
Revenues:						
Program revenues:						
Charges for Services	\$421,354	\$406,142	844,733	\$898,902	\$1,266,087	\$1,305,044
Operating Grants & Contributions	86,264	405,271	-	-	86,264	405,271
Capital Grants & Contributions	40,532	246,358	252,470	810,000	293,002	1,056,358
General revenues:						
Property taxes	770,446	767,251	-	-	770,446	767,251
Sales taxes	3,831,968	3,447,413	103,899	107,007	3,935,867	3,554,420
Franchise taxes	348,003	317,895	-	-	348,003	317,895
Other Taxes	234,806	209,479	-	-	234,806	209,479
Investment income	6,044	3,381	436	813	6,480	4,194
Other Misc	6,100	6,500	19,958	1,776	26,058	8,276
Transfers	(367,484)	(88,241)	367,484	88,241	-	-
Total revenues	<u>5,378,033</u>	<u>5,721,449</u>	<u>1,588,980</u>	<u>1,906,739</u>	<u>6,967,013</u>	<u>7,628,188</u>
Program expenses:						
General government	1,855,144	1,776,664	-	-	1,855,144	1,776,664
Public safety	1,494,455	1,320,450	-	-	1,494,455	1,320,450
Public works, Parks & Recreation	1,892,826	1,699,069	-	-	1,892,826	1,699,069
Interest on long-term debt	68,662	71,331	16,222	34,471	84,884	105,802
Water	-	-	1,359,479	1,249,121	1,359,479	1,249,121
Total expenses	<u>5,311,087</u>	<u>4,867,514</u>	<u>1,375,701</u>	<u>1,283,592</u>	<u>6,686,788</u>	<u>6,151,106</u>
Increase (decrease) in net position	66,946	853,935	213,279	623,147	280,225	1,477,082
Net position 12/31/14	<u>12,196,805</u>	<u>11,342,870</u>	<u>7,252,833</u>	<u>6,629,686</u>	<u>19,449,638</u>	<u>17,972,556</u>
Net Position 12/31/15	<u>\$12,263,751</u>	<u>\$12,196,805</u>	<u>\$7,466,112</u>	<u>\$7,252,833</u>	<u>\$19,729,863</u>	<u>\$19,449,638</u>

## Governmental Activities

The following pie chart illustrates the governmental activities revenues.



Sales and use taxes are the Town's largest governmental activities revenue source at 76%. Property taxes are the second largest revenue source at 14% 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 7%. The remaining interest income along with grants & contributions accounts for 3% of total revenues.

### **Business-type Activities**

Charges for services account for 53% of the Town's revenue for business-type activities. Sales taxes account for 7% and the remaining interest income, grants & contributions and miscellaneous revenue accounts for 40% of total revenues.

### **Financial Analysis of the Town's Funds**

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

Significant balances and transactions for General Fund revenue include sales tax related to the development at Monument Marketplace, commercial and residential development, planning fees and increased franchise fees. Total revenues for the General Fund were \$4,929,105, which was \$344,804 over budget.

Significant balances and transactions for General Fund expenditures include \$37,664 on buildings; \$62,568 on furniture and equipment; \$8,655 on vehicles and street equipment; \$21,466 on park improvements and \$127,933 on street improvements. There was no CDOT grant match for the sidewalk project this year, for total capital outlay of \$258,286.

The Water Department spent \$0.00 on well repairs; \$26,428 on equipment; \$367,484 on transmission & distribution lines and \$5,097 on construction for total capital outlay of \$399,009.

The 2A Water ASD Fund spent \$367,484 for capital projects, which were contributed to the water enterprise fund.

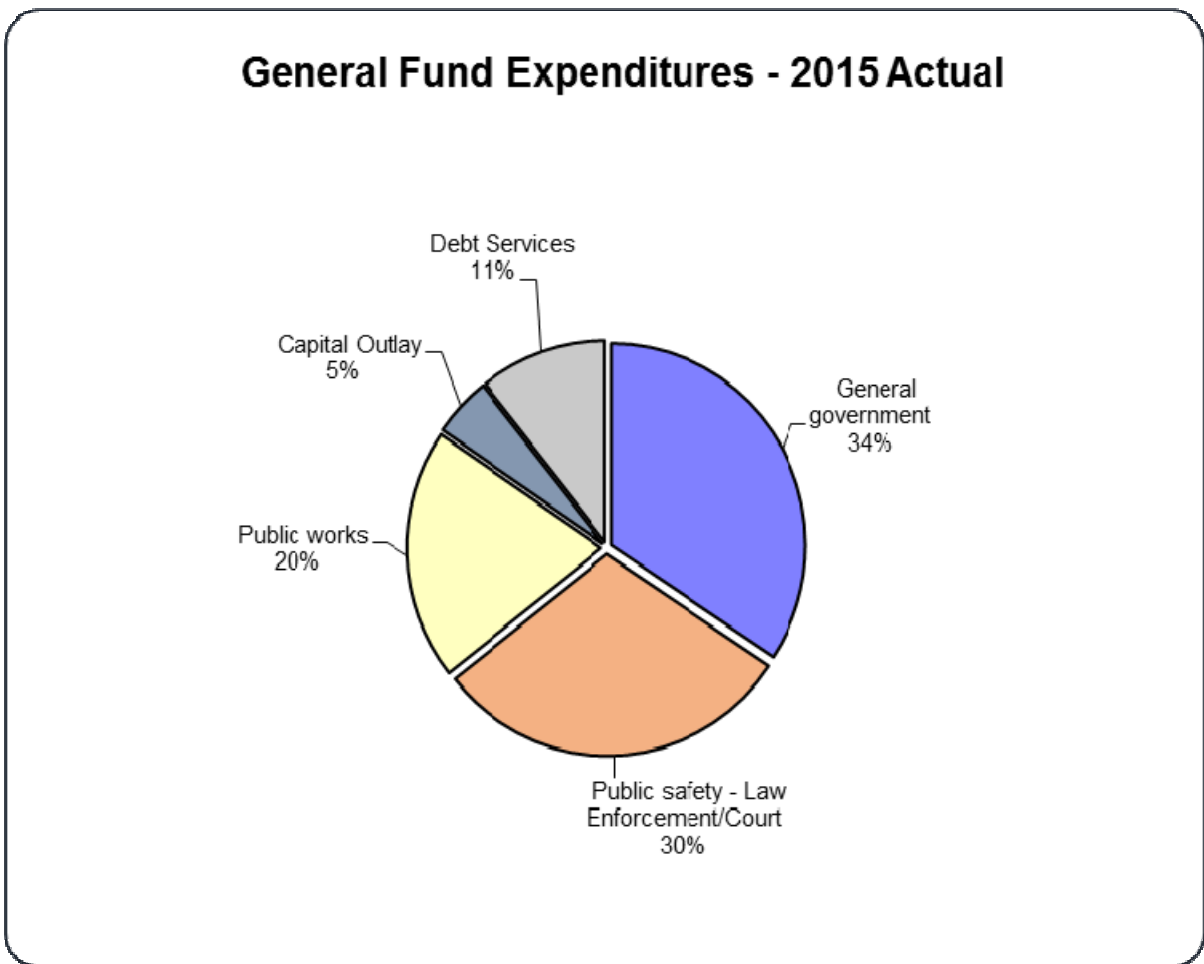
The Town Manager, in conjunction with the Department Heads, continued to analyze the Town's salary ranges to keep up with competitive rates, for non-exempt employees, for related size towns and job descriptions. We were able to give up to 3% Performance Based raises and had no layoffs in 2015. The Town is within range for the state-wide CML Salary Survey. We were also able to restructure the Police pay for performance model to assist in retaining staff.

Water Fund revenue was less than Budget by \$337,591 due to fees for service across the budget coming in under projected revenues. Customer usage decreased \$88,449 from 2014 to 2015. Tap fee revenue in 2015 was \$252,470 which was \$197,530 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 \$844,733 and Sales Tax Revenue was \$103,899.

Water Fund actual budgetary expenses were approximately \$276,913 below budget in 2015 due to decreased operations and maintenance funds being expended and deferring capital expenses due to decreased revenues.

## General Fund Budgetary Highlights

The Board of Trustees must approve increases in the expenditure budget for any fund. Line item budget transfers are allowed within a fund with the approval of the Town Manager. The General Fund's budgeted expenditures and transfers out were \$5,091,336. Actual expenditures for 2015 were \$4,844,067 an amount favorable to budgeted expenditures of \$247,243. This positive variance was the result, in part, of salary savings; reduced Department expenditures and the Town's decision not to purchase all approved capital items. The following pie chart shows the distribution of expenses by program/function.





## **Capital Assets and Debt Administration**

### **Capital Assets**

The Town of Monument's investment in capital assets for its governmental and business-type activities as of December 31, 2015 totaled \$17,763,238 (net of accumulated depreciation). Water fund capital assets represent 42% of this total.

The capital projects for the Town's governmental activities consisted of expenditures including \$37,664 on buildings; \$62,568 on furniture and equipment; \$8,655 on vehicles and street equipment; \$21,466 on park improvements and \$127,933 on street improvements. There was no CDOT grant match for the sidewalk project this year, for total capital outlay of \$258,286.

The Water Department spent \$0.00 on well repairs; \$26,428 on equipment; \$367,484 on transmission & distribution lines and \$5,097 on construction for total capital outlay of \$399,009.

The 2A Water ASD Fund spent \$367,484 for capital projects contributed to the water enterprise fund.

Note 5 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 \$725,109 during 2015.

The Town's long-term debt related to governmental activities decreased in 2015. Payments of \$606,615 were made on bonds, loans and capital lease obligations during the year. The Town did enter into a new lease agreement in 2015 for new servers for our IT system.

The Town's long-term debt related to business-type activities decreased in 2015. Payments of \$208,022 were made on bonds, loans and capital lease obligations. The Town did not enter into any lease agreements in 2015 in the Enterprise Fund.

Note 6 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 2015 was 4.0% down 1.1% from the 2014 average. This compares to the national average of 5.0% and state average of 3.5% for 2015.

Total land use permits issued in 2015 were 241, with 226 residential and 15 commercial. This is up 83 permits from 2014, with the majority of the increase coming in new single family homes. 2016 is expected to be higher than 2015 numbers, due to several new residential developments beginning in the Town.

Total retail sales tax is budgeted at \$5,225,500 for 2016, which compares to \$5,028,916 in 2015, an increase of 3.9%.

Property tax revenue is expected to increase \$73,306 in 2016. This increase reflects a slight upswing in development over the previous year. The mill levy for 2016 is 6.255 mills. This is a one-time reduction to bring the Town into compliance with Tabor and Gallagher laws. The mill levy for 2015 was 6.289 mills, unchanged since 2008.

The 2016 budget includes capital projects for general asphalt repairs and repair to Old Denver Highway. There is money budgeted for a concrete floor for the new pavilion for Lavallette Park. Also included in the capital project for Public Works are: street sweeper maintenance and a snow push box for the loader, which was forwarded from 2014. Public Works also has the Cemetery Irrigation System scheduled for replacement; a Variable Message Board; an F250 Truck; and Mitchell Road/2<sup>nd</sup> Street Parking Improvements. Administration/Police have a one-half share of the new building generator that will be cost shared with the Water Department's generator for the booster pump station. Administration also has a small amount budgeted for Building Alterations and Equipment. The Police Department has a new Police Car and Ballistic Helmets in their Budget. The Planning Department will continue with sidewalk improvements. The Water Enterprise Fund has capital for moving the bulk water fill station; Dedicated Sample Site for Testing; Leak Detection Equipment; Generator Hook Up for Booster Pump Station; a F150 Truck; SCADA software upgrades; Lightening Protection for the water plants; Distribution line R&M; Well 8 Transfer Switch for the Generator; and a new Portable Generator. The ancillary funds have available cash for designated projects as they are assigned.

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

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

## TOWN OF MONUMENT, COLORADO

STATEMENT OF NET POSITION  
December 31, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL	
			2015	2014
<b>ASSETS</b>				
Cash and Investments	\$ 1,940,370	\$ -	\$ 1,940,370	\$ 2,100,332
Restricted Cash and Investments	40,550	920,839	961,389	942,402
Receivables				
Property Taxes	765,160	-	765,160	695,100
Sales and Other	1,072,135	-	1,072,135	977,714
Accounts	61,911	57,804	119,715	55,029
Grants	-	-	-	3,162
Interfund Amounts	504,841	(504,841)	-	-
Prepaid Expenses	1,682	-	1,682	910
Capital Assets, Not Depreciated	802,290	3,569,766	4,372,056	4,372,056
Capital Assets, Depreciated Net of Accumulated Depreciation	9,566,560	3,824,622	13,391,182	13,944,730
<b>TOTAL ASSETS</b>	<b>14,755,499</b>	<b>7,868,190</b>	<b>22,623,689</b>	<b>23,091,435</b>
<b>LIABILITIES</b>				
Accounts Payable	456,953	53,725	510,678	581,806
Accrued Salaries and Benefits	49,996	13,409	63,405	99,419
Accrued Interest	17,679	5,007	22,686	24,174
Developer Escrow and Deposits	119,215	25,559	144,774	129,066
Noncurrent Liabilities				
Due within One Year	648,212	207,752	855,964	830,474
Due in More Than One Year	434,533	96,626	531,159	1,281,758
<b>TOTAL LIABILITIES</b>	<b>1,726,588</b>	<b>402,078</b>	<b>2,128,666</b>	<b>2,946,697</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Property Tax Revenue	765,160	-	765,160	695,100
<b>NET POSITION</b>				
Net Investment in Capital Assets	9,501,983	7,132,446	16,634,429	16,422,497
Restricted for Emergencies	164,000	-	164,000	203,000
Restricted for Parks and Recreation	13,170	-	13,170	12,149
Restricted for Future Water Storage	-	675,000	675,000	675,000
Restricted for Debt Service	-	16,809	16,809	16,832
Unrestricted, Unreserved	2,584,598	(358,143)	2,226,455	2,120,160
<b>TOTAL NET POSITION</b>	<b>\$ 12,263,751</b>	<b>\$ 7,466,112</b>	<b>\$ 19,729,863</b>	<b>\$ 19,449,638</b>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES	
			OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 1,855,144	\$ 252,940	\$ 37,195	\$ -
Public Safety	1,494,455	88,381	-	-
Public Works	1,821,905	80,033	49,069	-
Parks and Recreation	70,921	-	-	40,532
Interest on Long-Term Debt	68,662	-	-	-
Total Governmental Activities	5,311,087	421,354	86,264	40,532
<b>Business-Type Activities</b>				
Water	1,359,479	844,733	-	252,470
Interest on Long-Term Debt	16,222	-	-	-
Total Business-Type Activities	1,375,701	844,733	-	252,470
Total Primary Government	\$ 6,686,788	\$ 1,266,087	\$ 86,264	\$ 293,002

GENERAL REVENUES

Sales Taxes  
Property Taxes  
Franchise Taxes  
Other Taxes  
Interest  
Other

TRANSFERS

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2015	2014
\$ (1,565,009)	\$ -	\$ (1,565,009)	\$ (1,515,402)
(1,406,074)	-	(1,406,074)	(1,267,009)
(1,692,803)	-	(1,692,803)	(1,139,761)
(30,389)	-	(30,389)	183,760
(68,662)	-	(68,662)	(71,331)
<u>(4,762,937)</u>	<u>-</u>	<u>(4,762,937)</u>	<u>(3,809,743)</u>
-	(262,276)	(262,276)	459,781
-	(16,222)	(16,222)	(34,471)
<u>-</u>	<u>(278,498)</u>	<u>(278,498)</u>	<u>425,310</u>
(4,762,937)	(278,498)	(5,041,435)	(3,384,433)
3,831,968	103,899	3,935,867	3,554,420
770,446	-	770,446	767,251
348,003	-	348,003	317,895
234,806	-	234,806	209,479
6,044	436	6,480	4,194
6,100	19,958	26,058	8,276
(367,484)	367,484	-	-
<u>4,829,883</u>	<u>491,777</u>	<u>5,321,660</u>	<u>4,861,515</u>
66,946	213,279	280,225	1,477,082
<u>12,196,805</u>	<u>7,252,833</u>	<u>19,449,638</u>	<u>17,972,556</u>
<u>\$ 12,263,751</u>	<u>\$ 7,466,112</u>	<u>\$ 19,729,863</u>	<u>\$ 19,449,638</u>

TOWN OF MONUMENT, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2015	2014
<b>ASSETS</b>					
Cash and Investments	\$ 39,912	\$ 1,642,176	\$ 258,282	\$ 1,940,370	\$ 2,100,332
Restricted Cash and Investments	40,550	-	-	40,550	40,550
Property Taxes Receivable	765,160	-	-	765,160	695,100
Other Taxes Receivable	1,072,135	-	-	1,072,135	977,714
Accounts Receivable	61,911	-	-	61,911	1,755
Grants Receivable	-	-	-	-	3,162
Due From Other Funds	504,841	-	-	504,841	427,587
Prepaid Expense	1,682	-	-	1,682	910
<b>TOTAL ASSETS</b>	<b>2,486,191</b>	<b>1,642,176</b>	<b>258,282</b>	<b>4,386,649</b>	<b>4,247,110</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts Payable	456,953	-	-	456,953	525,642
Accrued Salaries and Benefits	49,996	-	-	49,996	86,010
Developer Escrow	119,215	-	-	119,215	115,707
<b>TOTAL LIABILITIES</b>	<b>626,164</b>	<b>-</b>	<b>-</b>	<b>626,164</b>	<b>727,359</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred Property Tax Revenue	765,160	-	-	765,160	695,100
<b>FUND EQUITY</b>					
Fund Balance					
Restricted for Emergencies	164,000	-	-	164,000	203,000
Restricted for Parks and Recreation	-	-	13,170	13,170	12,149
Restricted for Debt Service	-	-	-	-	23
Committed	-	1,642,176	245,112	1,887,288	1,944,899
Unassigned	930,867	-	-	930,867	664,580
<b>TOTAL FUND EQUITY</b>	<b>1,094,867</b>	<b>1,642,176</b>	<b>258,282</b>	<b>2,995,325</b>	<b>2,824,651</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY</b>	<b>\$ 2,486,191</b>	<b>\$ 1,642,176</b>	<b>\$ 258,282</b>		

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.	10,368,850	10,988,333
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include Bonds and Loan Payable of (\$299,500), Capital Leases (\$543,380), Accrued Compensated Absences (\$239,865), and Accrued Interest Payable (\$17,679).	(1,100,424)	(1,616,179)
<b>Net position of governmental activities</b>	<b>\$ 12,263,751</b>	<b>\$ 12,196,805</b>

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

AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2015

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2015	2014
REVENUES					
Taxes	\$ 4,321,019	\$ 477,360	\$ 153,852	\$ 4,952,231	\$ 4,534,314
Licenses and Permits	34,477	-	55,962	90,439	77,250
Charges for Services	162,501	-	80,033	242,534	275,451
Intergovernmental	319,256	-	40,532	359,788	653,853
Court	88,381	-	-	88,381	53,441
Interest	3,471	2,242	331	6,044	3,381
Miscellaneous	-	-	6,100	6,100	6,500
<b>TOTAL REVENUES</b>	<b>4,929,105</b>	<b>479,602</b>	<b>336,810</b>	<b>5,745,517</b>	<b>5,604,190</b>
EXPENDITURES					
General Government	1,664,664	-	14,887	1,679,551	1,661,856
Public Safety	1,453,402	-	-	1,453,402	1,271,779
Public Works	976,908	144,336	-	1,121,244	897,449
Parks and Recreation	-	-	39,528	39,528	38,352
Debt Service					
Principal	476,615	-	130,000	606,615	576,400
Interest	38,724	-	23,875	62,599	83,851
Capital Outlay	233,754	345,833	77,513	657,100	961,067
<b>TOTAL EXPENDITURES</b>	<b>4,844,067</b>	<b>490,169</b>	<b>285,803</b>	<b>5,620,039</b>	<b>5,490,754</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	85,038	(10,567)	51,007	125,478	113,436
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	45,196	-	-	45,196	-
Transfers In	97,053	-	-	97,053	27,500
Transfers Out	-	(97,053)	-	(97,053)	(27,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>142,249</b>	<b>(97,053)</b>	<b>-</b>	<b>45,196</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>227,287</b>	<b>(107,620)</b>	<b>51,007</b>	<b>170,674</b>	<b>113,436</b>
FUND BALANCES, Beginning	867,580	1,749,796	207,275	2,824,651	2,711,215
<b>FUND BALANCES, Ending</b>	<b>\$ 1,094,867</b>	<b>\$ 1,642,176</b>	<b>\$ 258,282</b>	<b>\$ 2,995,325</b>	<b>\$ 2,824,651</b>

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



TOWN OF MONUMENT, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2015

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 170,674
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 (\$877,769), exceeded capital outlay \$258,286 in the current period.	(619,483)
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 affect the statement of activities.	(45,196)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include bond and loan payments of \$130,000, payments of capital leases of \$476,615, and change in accrued compensated absences of (\$39,601).	567,014
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes the decrease in accrued interest payable.	<u>(6,063)</u>
Change in Net Position of Governmental Activities	<u>\$ 66,946</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE  
 December 31, 2015

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current Assets		
Restricted Cash and Investments	\$ 920,839	\$ 901,852
Accounts Receivable	57,804	53,274
Total Current Assets	<u>978,643</u>	<u>955,126</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	<u>7,394,388</u>	<u>7,328,453</u>
TOTAL ASSETS	<u>8,373,031</u>	<u>8,283,579</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	53,725	56,164
Accrued Expenses	13,409	13,409
Due to General Fund	504,841	427,587
Accrued Interest Payable	5,007	12,558
Accrued Compensated Absences, Current Portion	-	3,771
Leases Payable, Current Portion	8,253	22,526
Bonds and Loan Payable, Current Portion	<u>195,255</u>	<u>185,388</u>
Total Current Liabilities	<u>780,490</u>	<u>721,403</u>
Noncurrent Liabilities		
Deposits	25,559	13,359
Accrued Compensated Absences	42,436	33,934
Leases Payable	7,154	15,515
Bonds and Loan Payable	<u>51,280</u>	<u>246,535</u>
Total Noncurrent Liabilities	<u>126,429</u>	<u>309,343</u>
TOTAL LIABILITIES	<u>906,919</u>	<u>1,030,746</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	7,132,446	6,858,489
Restricted for Debt Service	16,809	16,809
Restricted for Future Water Storage	675,000	675,000
Unreserved	<u>(358,143)</u>	<u>(297,465)</u>
TOTAL NET POSITION	<u>\$ 7,466,112</u>	<u>\$ 7,252,833</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND TYPE  
Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for Services	\$ 844,733	\$ 898,902
Miscellaneous Income	19,958	1,776
	<u>864,691</u>	<u>900,678</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Operations and Maintenance	884,535	821,815
Administrative and General	141,870	126,773
Depreciation	333,074	300,533
	<u>1,359,479</u>	<u>1,249,121</u>
TOTAL OPERATING EXPENSES		
OPERATING LOSS	<u>(494,788)</u>	<u>(348,443)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales Taxes	103,899	107,007
Interest Income	436	813
Interest Expenses	<u>(16,222)</u>	<u>(34,471)</u>
	<u>88,113</u>	<u>73,349</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)		
LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(406,675)</u>	<u>(275,094)</u>
Capital Contributions		
Tap Fees	252,470	135,000
Water Storage Fees	-	675,000
Other Funds	<u>367,484</u>	<u>88,241</u>
	<u>619,954</u>	<u>898,241</u>
TOTAL CAPITAL CONTRIBUTIONS		
NET INCOME (LOSS)	213,279	623,147
NET POSITION, Beginning	<u>7,252,833</u>	<u>6,629,686</u>
NET POSITION, Ending	<u>\$ 7,466,112</u>	<u>\$ 7,252,833</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE

Year Ended December 31, 2015

Increase (Decrease) in Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 840,203	\$ 894,622
Cash Received from Others	19,958	1,776
Cash Paid to Suppliers	(569,093)	(324,171)
Cash Paid to Employees	(377,766)	(355,763)
Net Cash Provided (Used) by Operating Activities	<u>(86,698)</u>	<u>216,464</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales Tax Received	<u>103,899</u>	<u>107,007</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(31,525)	(160,699)
Bond Payments	(208,022)	(197,889)
Interest Payments	(23,773)	(33,778)
Capital Contributions		
Tap Fees	252,470	135,000
Water Storage Fees	-	675,000
Deposits Received from Customers	12,200	2,300
Net Cash Provided by Capital and Related Financing Activities	<u>1,350</u>	<u>419,934</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>436</u>	<u>813</u>
Net Increase in Cash and Cash Equivalents	18,987	744,218
CASH AND CASH EQUIVALENTS, Beginning	<u>901,852</u>	<u>157,634</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 920,839</u>	<u>\$ 901,852</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	<u>\$ (494,788)</u>	<u>\$ (348,443)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	333,074	300,533
Changes in Assets and Liabilities		
Accounts Receivable	(4,530)	(4,280)
Due to Other Funds	77,254	227,910
Accounts Payable	(2,439)	26,729
Accrued Compensated Absences	4,731	14,015
Total Adjustments	<u>408,090</u>	<u>564,907</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (86,698)</u>	<u>\$ 216,464</u>
NON-CASH ACTIVITIES		
Capital Contributions - Other Funds	<u>\$ 367,484</u>	<u>\$ 88,241</u>

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

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### **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, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Government-Wide and Fund Financial Statements** (Continued)

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

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the fund financial statements, the Town reports the following major governmental funds:

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

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

The Town also reports the following major proprietary fund:

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

#### **Cash and Investments**

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

#### **Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Compensated Absences**

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

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

#### **Long-Term Obligations**

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

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

#### **Net Position**

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



# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### 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, 2015.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

#### **Property Taxes**

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

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Property Taxes (Continued)**

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

### NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### **Budgets and Budgetary Accounting**

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

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

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2015 follows:

Petty Cash	\$ 1,563
Cash Deposits	376,865
Investments	<u>2,523,331</u>
Total	<u>\$ 2,901,759</u>

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

Cash and Investments	\$ 1,940,370
Restricted Cash and Investments	<u>961,389</u>
Total	<u>\$ 2,901,759</u>

#### **Deposits**

##### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2015 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, 2015, the Town had deposits with financial institutions with a carrying amount of \$376,865. The bank balances with the financial institutions were \$306,078, which were covered by the FDIC.

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

#### Investments

##### Interest Rate Risk

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

##### Credit Risk

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

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

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

The Town had invested \$2,253,331 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated AAA by Standard and Poor's.

#### Restricted Cash

Cash is restricted for the following purposes:

Operating Reserve – Water Fund	\$ 229,030
Future Water Storage – Water Fund	675,000
Debt Service Reserve – Water Fund	16,809
Debt Service Reserve – Governmental Fund	<u>40,550</u>
Total	<u><b>\$ 961,389</b></u>

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

**Operating Reserve** – The loan agreement with the Colorado Water Resources & Power Development Authority (CWR&PDA) requires that the Town maintain a three-month operating reserve. As of December 31, 2015, the Town’s water fund restricted cash of \$229,030 for this operating reserve which did not meet the required three month operating reserve and may be a violation of the loan agreement.

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

**Debt Service Reserve** – The 1997 Rural Economic and Community Development Loan was funded in full and converted to Water Revenue Bonds, Series 1995. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted General Fund cash in the amount of \$40,550 at December 31, 2015.

In addition, the CWCB loan requires 10% of annual payment as a reserve or \$16,809. For this purpose, the Town has restricted Water Fund cash at December 31, 2015.

**NOTE 4: INTERFUND BALANCES AND TRANSFERS**

Interfund balances at December 31, 2015, were comprised of the following:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General	Water	<b><u>\$ 504,841</u></b>

At December 31, 2015, the General Fund continues to subsidized the negative unrestricted cash balance of the Water Fund.

Interfund transfers for the year ended December 31, 2014, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	2A Water ASD	<b><u>\$ 97,053</u></b>

During the year ended December 31, 2015, the 2A Water ASD Fund transferred to the General Fund an amount for sales taxes from prior years that were incorrectly reported in the fund.

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2015 is summarized below:

	Balances 12/31/2014	Additions	Deletions	Balances 12/31/2015
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 802,290	\$ -	\$ -	\$ 802,290
Capital Assets, being depreciated				
Buildings	3,835,533	37,664	-	3,873,197
Infrastructure	8,367,154	-	-	8,367,154
Water Rights	135,324	-	-	135,324
Furniture and Equipment	532,710	62,568	-	595,278
Vehicles and Street Equipment	1,622,691	8,655	-	1,631,346
Park Improvements	569,868	21,466	-	591,334
Street Improvements	3,896,494	127,933	-	4,024,427
Total Capital Assets, being depreciated	<u>18,959,774</u>	<u>258,286</u>	<u>-</u>	<u>19,218,060</u>
Less accumulated depreciation				
Buildings	(964,082)	(123,878)	-	(1,087,960)
Infrastructure	(4,089,344)	(278,905)	-	(4,368,249)
Water Rights	(15,632)	(2,706)	-	(18,338)
Furniture and Equipment	(337,735)	(48,637)	-	(386,372)
Vehicles and Street Equipment	(1,174,475)	(78,044)	-	(1,252,519)
Park Improvements	(252,320)	(31,393)	-	(283,713)
Street Improvements	(1,940,143)	(314,206)	-	(2,254,349)
Total accumulated depreciation	<u>(8,773,731)</u>	<u>(877,769)</u>	<u>-</u>	<u>(9,651,500)</u>
Total Capital Assets, being depreciated, net	<u>10,186,043</u>	<u>(619,483)</u>	<u>-</u>	<u>9,566,560</u>
Governmental Activities Capital Assets, net	<u><b>\$ 10,988,333</b></u>	<u><b>\$ (619,483)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 10,368,850</b></u>

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

<b>Governmental Activities</b>	
General Government	\$ 135,992
Public Safety	41,053
Public Works	669,331
Parks and Recreation	<u>31,393</u>
Total	<u><b>\$ 877,769</b></u>

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 5: CAPITAL ASSETS (Continued)

	Balances 12/31/2014	Additions	Deletions	Balances 12/31/2015
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated				
Water Master Plan	\$ 636,111	\$ -	\$ -	\$ 636,111
Construction in Progress	2,933,655	-	-	2,933,655
Total Capital Assets, not being depreciated	<u>3,569,766</u>	<u>-</u>	<u>-</u>	<u>3,569,766</u>
Capital Assets, being depreciated				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Building	113,800	5,097	-	118,897
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,199,322	-	-	1,199,322
Other Equipment	787,485	26,428	-	813,913
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	7,533,685	-	-	7,533,685
Transmission & Distribution	1,601,954	367,484	-	1,969,438
Vehicles	279,031	-	-	279,031
Total Capital Assets, being depreciated	<u>12,539,913</u>	<u>399,009</u>	<u>-</u>	<u>12,938,922</u>
Less accumulated depreciation				
Water Rights	(52,500)	(2,500)	-	(55,000)
Alluvium Wells	(372,558)	(14,673)	-	(387,231)
Public Works Building	(30,344)	(4,304)	-	(34,648)
Iron Treatment Plant	(254,269)	(9,596)	-	(263,865)
Water Treatment Plant	(346,994)	(39,977)	-	(386,971)
Other Equipment	(599,118)	(36,015)	-	(635,133)
Slabaugh Well	(86,129)	(3,828)	-	(89,957)
Wells/Treatment	(5,304,482)	(149,958)	-	(5,454,440)
Transmission & Distribution	(1,491,652)	(63,879)	-	(1,555,531)
Vehicles	(243,180)	(8,344)	-	(251,524)
Total accumulated depreciation	<u>(8,781,226)</u>	<u>(333,074)</u>	<u>-</u>	<u>(9,114,300)</u>
Total Capital Assets, being depreciated, net	<u>3,758,687</u>	<u>65,935</u>	<u>-</u>	<u>3,824,622</u>
Business-type Activities Capital Assets, net	<u><b>\$ 7,328,453</b></u>	<u><b>\$ 65,935</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 7,394,388</b></u>

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 6: LONG-TERM DEBT

#### Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2015.

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015	Due Within One Year
<b>Governmental Activities</b>					
1979 GO Water Bonds	\$ 29,500	\$ -	\$ 5,000	\$ 24,500	\$ 5,500
1997 CWRPDA Loan	400,000	-	125,000	275,000	135,000
Capital Leases	974,799	45,196	476,615	543,380	483,725
Accrued Compensated Absences	200,264	39,601	-	239,865	23,987
	<u>\$ 1,604,563</u>	<u>\$ 84,797</u>	<u>\$ 606,615</u>	<u>\$ 1,082,745</u>	<u>\$ 648,212</u>

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 9.16%. These leases mature from 2008-2018.



# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

**NOTE 6: LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

Annual debt service requirements for the outstanding bonds at December 31, 2015 are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 140,500	\$ 16,625	\$ 157,125
2017	145,500	8,790	154,290
2018	6,500	675	7,175
2019	7,000	350	7,350
	<u>\$ 299,500</u>	<u>\$ 26,440</u>	<u>\$ 325,940</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2015.

<u>Year Ended December 31</u>	
2016	\$ 483,920
2017	87,960
2018	7,197
Total Minimum Lease Payments	579,077
Less: Interest	(35,697)
Present Value of Future Minimum Lease Payments	<u>\$ 543,380</u>

**Business-Type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2015.

	<u>Balance 12/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2015</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
1995 GO Water Refunding	\$ 75,500	\$ -	\$ 36,900	\$ 38,600	\$ 38,600
2002 CWCB Loan	356,423	-	148,488	207,935	156,655
Capital Leases	38,041	-	22,634	15,407	8,253
Accrued Compensated Absences	37,705	4,731	-	42,436	4,244
	<u>\$ 507,669</u>	<u>\$ 4,731</u>	<u>\$ 208,022</u>	<u>\$ 304,378</u>	<u>\$ 207,752</u>

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

**NOTE 6: LONG-TERM DEBT** (Continued)

**1995 GO Water Refunding Bonds** – These bonds were issued to refund the 1997 Rural Economic and Community Development Loan. Principal and interest payments are due semi-annually on June 1 and December 1, through 2016. Interest accrues at 5.125%. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted cash in the General Fund in the amount of \$40,550 at December 31, 2015.

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

**Capital Leases**

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

**Future Debt Service Requirements**

Annual debt service requirements for the outstanding bonds at December 31, 2015 are as follows:

Year Ended December 31	Principal	Interest	Total
2016	\$ 195,255	\$ 12,925	\$ 208,180
2017	51,280	2,820	54,100
	<b>\$ 246,535</b>	<b>\$ 15,745</b>	<b>\$ 262,280</b>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2015.

Year Ended December 31	
2016	\$ 8,596
2017	7,411
Total Minimum Lease Payments	16,007
Less: Interest	(600)
Present Value of Future Minimum Lease Payments	<b>\$ 15,407</b>

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS December 31, 2015

### NOTE 6: LONG-TERM DEBT (Continued)

#### **Conduit Debt**

In January 2014, the Town issued \$15,650,000 Refunding and Improvement Variable Rate Revenue Bonds for the Discover Goodwill of Southern and Western Colorado Project to provide financial assistance to a Colorado nonprofit entity to acquire, construct and equip retail facilities for donated goods. Neither the Town, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as a liability in the Town's financial statements. Outstanding bonds at December 31, 2015 totaled \$14,502,333.

#### **Subsequent Capital Leases**

Subsequent to the year ended December 31, 2015, the Town entered into two (2) capital leases for purchase of equipment, with annual repayment of principal and interest in the amounts of \$69,431 and \$65,135 for three (3) and five (5) year periods, respectively. The leases require interest to be paid at rates ranging from 2.12% to 2.36%. These leases mature in 2018 and 2020, respectively.

### NOTE 7: RETIREMENT COMMITMENTS

#### **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, 2015, the Town contributions were \$109,101, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

#### **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, 2015, the Town and employee contributions were \$18,358, equal to the required contribution.

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### **NOTE 8: PUBLIC ENTITY RISK POOL**

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

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

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

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

### **NOTE 9: 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.

#### **Litigation**

The Town has been named as a defendant in a lawsuit. Subsequent to the year end, the lawsuit was settled and the Town was ordered to pay \$350,000 to the claimant.

# TOWN OF MONUMENT, COLORADO

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

#### **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, 2015, the emergency reserve of \$164,000 was recorded in the General Fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF MONUMENT, COLORADO

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2015

(With Comparative Actual Total for the Year Ended December 31, 2014)

	2015		VARIANCE Positive (Negative)	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 3,641,101	\$ 4,321,019	\$ 679,918	\$ 3,979,285
Licenses and Permits	22,400	34,477	12,077	25,516
Charges for Services	97,500	162,501	65,001	149,047
Intergovernmental	652,500	319,256	(333,244)	612,995
Court	170,000	88,381	(81,619)	53,441
Interest	800	3,471	2,671	1,476
Miscellaneous	-	-	-	5,000
<b>TOTAL REVENUES</b>	<b>4,584,301</b>	<b>4,929,105</b>	<b>344,804</b>	<b>4,826,760</b>
EXPENDITURES				
Current				
General Government	2,106,481	1,664,664	441,817	1,661,013
Public Safety	1,479,159	1,453,402	25,757	1,271,779
Public Works	1,115,478	976,908	138,570	816,002
Capital Outlay	251,000	233,754	17,246	750,770
Debt Service				
Principal	130,475	476,615	(346,140)	451,400
Interest	8,737	38,724	(29,987)	53,726
Contingency	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>5,091,330</b>	<b>4,844,067</b>	<b>247,263</b>	<b>5,004,690</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(507,029)</b>	<b>85,038</b>	<b>592,067</b>	<b>(177,930)</b>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Debt	259,000	45,196	(213,804)	-
Transfers In	-	97,053	97,053	-
Transfers (Out)	-	-	-	(27,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>259,000</b>	<b>142,249</b>	<b>(116,751)</b>	<b>(27,500)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(248,029)</b>	<b>227,287</b>	<b>475,316</b>	<b>(205,430)</b>
FUND BALANCE, Beginning	671,055	867,580	196,525	1,073,010
FUND BALANCE, Ending	\$ 423,026	\$ 1,094,867	\$ 671,841	\$ 867,580

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

2A WATER ASD FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2015

(With Comparative Actual Total for the Year Ended December 31, 2014)

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES				
Sales Tax	\$ 397,500	\$ 477,360	\$ 79,860	\$ 399,881
Interest	2,000	2,242	242	1,698
TOTAL REVENUES	<u>399,500</u>	<u>479,602</u>	<u>80,102</u>	<u>401,579</u>
EXPENDITURES				
Public Works	169,000	144,336	24,664	81,447
Capital Outlay	1,918,575	345,833	1,572,742	88,241
TOTAL EXPENDITURES	<u>2,087,575</u>	<u>490,169</u>	<u>1,597,406</u>	<u>169,688</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,688,075)	(10,567)	1,677,508	231,891
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(97,053)	(97,053)	-
NET CHANGE IN FUND BALANCE	(1,688,075)	(107,620)	1,580,455	231,891
FUND BALANCE, Beginning	<u>1,688,075</u>	<u>1,749,796</u>	<u>61,721</u>	<u>1,517,905</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 1,642,176</u>	<u>\$ 1,642,176</u>	<u>\$ 1,749,796</u>

See the accompanying Independent Auditor's Report.



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## **COMBINING AND INDIVIDUAL FUND SCHEDULES**

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 December 31, 2015

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
ASSETS				
Cash and Investments	\$ 29,220	\$ 13,170	\$ 203,006	\$ 12,886
TOTAL ASSETS	<u>\$ 29,220</u>	<u>\$ 13,170</u>	<u>\$ 203,006</u>	<u>\$ 12,886</u>
FUND EQUITY				
Restricted for Parks and Recreation	\$ -	\$ 13,170	\$ -	\$ -
Restricted for Debt Service	-	-	-	-
Committed	29,220	-	203,006	12,886
TOTAL FUND EQUITY	<u>\$ 29,220</u>	<u>\$ 13,170</u>	<u>\$ 203,006</u>	<u>\$ 12,886</u>

See the accompanying Independent Auditor's Report.

DEBT SERVICE FUND	TOTALS	
	2015	2014
\$ -	\$ 258,282	\$ 207,275
<u>\$ -</u>	<u>\$ 258,282</u>	<u>\$ 207,275</u>
\$ -	\$ 13,170	\$ 12,149
-	-	23
-	245,112	195,103
<u>\$ -</u>	<u>\$ 258,282</u>	<u>\$ 207,275</u>

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
Year Ended December 31, 2015

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
REVENUES				
Licenses and Permits	\$ 55,962	\$ -	\$ -	\$ -
Intergovernmental	-	40,532	-	-
Charges for Services	-	-	52,318	27,715
Sales Tax	-	-	-	-
Interest	24	17	282	8
Miscellaneous	6,100	-	-	-
<b>TOTAL REVENUES</b>	<b>62,086</b>	<b>40,549</b>	<b>52,600</b>	<b>27,723</b>
EXPENDITURES				
General Government	-	-	-	14,887
Parks and Recreation	-	39,528	-	-
Capital Outlay	52,981	-	24,532	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>52,981</b>	<b>39,528</b>	<b>24,532</b>	<b>14,887</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,105	1,021	28,068	12,836
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
<b>CHANGE IN FUND BALANCES</b>	<b>9,105</b>	<b>1,021</b>	<b>28,068</b>	<b>12,836</b>
FUND BALANCES, Beginning	20,115	12,149	174,938	50
<b>FUND BALANCES, Ending</b>	<b>\$ 29,220</b>	<b>\$ 13,170</b>	<b>\$ 203,006</b>	<b>\$ 12,886</b>

See the accompanying Independent Auditor's Report.

DEBT SERVICE FUND	TOTALS	
	2015	2014
\$ -	\$ 55,962	\$ 51,734
-	40,532	40,858
-	80,033	126,404
153,852	153,852	155,148
-	331	207
-	6,100	1,500
<u>153,852</u>	<u>336,810</u>	<u>375,851</u>
-	14,887	843
-	39,528	38,352
-	77,513	122,056
130,000	130,000	125,000
23,875	23,875	30,125
<u>153,875</u>	<u>285,803</u>	<u>316,376</u>
(23)	51,007	59,475
-	-	27,500
(23)	51,007	86,975
23	207,275	120,300
<u>\$ -</u>	<u>\$ 258,282</u>	<u>\$ 207,275</u>

TOWN OF MONUMENT, COLORADO

COMMUNITY DEVELOPMENT FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	2015		VARIANCE Positive (Negative)	2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Business Licenses	\$ 53,000	\$ 55,962	\$ 2,962	\$ 51,734
Interest	10	24	14	7
Miscellaneous	-	6,100	6,100	1,500
TOTAL REVENUES	<u>53,010</u>	<u>62,086</u>	<u>9,076</u>	<u>53,241</u>
EXPENDITURES				
General Government	-	-	-	843
Capital Outlay	53,010	52,981	29	58,402
TOTAL EXPENDITURES	<u>53,010</u>	<u>52,981</u>	<u>29</u>	<u>59,245</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>9,105</u>	<u>9,105</u>	<u>(6,004)</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	25,000
NET CHANGE IN FUND BALANCE	-	9,105	9,105	18,996
FUND BALANCE, Beginning	-	20,115	20,115	1,119
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 29,220</u>	<u>\$ 29,220</u>	<u>\$ 20,115</u>

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

CONSERVATION TRUST FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES				
Lottery Revenues	\$ 45,000	\$ 40,532	\$ (4,468)	\$ 40,858
Interest	25	17	(8)	12
TOTAL REVENUES	45,025	40,549	(4,476)	40,870
EXPENDITURES				
Parks and Recreation	45,025	39,528	5,497	38,352
NET CHANGE IN FUND BALANCE	-	1,021	1,021	2,518
FUND BALANCE, Beginning	-	12,149	12,149	9,631
FUND BALANCE, Ending	\$ -	\$ 13,170	\$ 13,170	\$ 12,149

See the accompanying Independent Auditor's Report.



TOWN OF MONUMENT, COLORADO

TRAFFIC IMPACT FEE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES				
Traffic Impact Fees	\$ 100,350	\$ 52,318	\$ (48,032)	\$ 104,798
Interest	-	282	282	149
TOTAL REVENUES	100,350	52,600	(47,750)	104,947
EXPENDITURES				
Capital Outlay	100,350	24,532	75,818	1,722
NET CHANGE IN FUND BALANCE	-	28,068	28,068	103,225
FUND BALANCE, Beginning	-	174,938	174,938	71,713
FUND BALANCE, Ending	\$ -	\$ 203,006	\$ 203,006	\$ 174,938

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

STORM DRAINAGE IMPACT FEE  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES				
Storm Drainage Impact Fees	\$ 65,000	\$ 27,715	\$ (37,285)	\$ 21,606
Interest	90	8	(82)	39
TOTAL REVENUES	65,090	27,723	(37,367)	21,645
EXPENDITURES				
General Government	11,120	14,887	(3,767)	-
Capital Outlay	53,970	-	53,970	61,932
TOTAL EXPENDITURES	65,090	14,887	50,203	61,932
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	12,836	12,836	(40,287)
OTHER FINANCING SOURCES				
Transfers In	-	-	-	2,500
NET CHANGE IN FUND BALANCE	-	12,836	12,836	(37,787)
FUND BALANCE, Beginning	-	50	50	37,837
FUND BALANCE, Ending	\$ -	\$ 12,886	\$ 12,886	\$ 50

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES				
Sales Tax	\$ 153,875	\$ 153,852	\$ (23)	\$ 155,148
TOTAL REVENUES	153,875	153,852	(23)	155,148
EXPENDITURES				
Debt Service				
Principal	130,000	130,000	-	125,000
Interest	23,875	23,875	-	30,125
TOTAL EXPENDITURES	153,875	153,875	-	155,125
NET CHANGE IN FUND BALANCE	-	(23)	(23)	23
FUND BALANCE, Beginning	-	23	23	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ 23

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

WATER FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2015

(With Comparative Actual Totals for the Year Ended December 31, 2014)

	2015			2014 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	
REVENUES				
Charges for Services	\$ 933,182	\$ 844,733	\$ (88,449)	\$ 898,902
Sales Tax	107,800	103,899	(3,901)	107,007
Tap Fees	450,000	252,470	(197,530)	135,000
Lease Proceeds	60,000	-	(60,000)	-
Investment Income	221	436	215	813
Water Storage Fee	-	-	-	675,000
Other Revenues	7,884	19,958	12,074	1,776
<b>TOTAL REVENUES</b>	<b>1,559,087</b>	<b>1,221,496</b>	<b>(337,591)</b>	<b>1,818,498</b>
EXPENDITURES				
Operations and Maintenance	943,741	884,535	59,206	821,815
Administration and General	130,919	141,870	(10,951)	126,773
Capital Outlay	232,397	31,525	200,872	160,699
Debt Service				
Principal	227,930	208,022	19,908	197,889
Interest	24,100	16,222	7,878	34,471
<b>TOTAL EXPENDITURES</b>	<b>1,559,087</b>	<b>1,282,174</b>	<b>276,913</b>	<b>1,341,647</b>
NET INCOME, Budget Basis	\$ -	(60,678)	\$ (60,678)	476,851
GAAP BASIS ADJUSTMENTS				
Capital Contribution - Other Funds		367,484		88,241
Capital Outlay		31,525		160,699
Depreciation		(333,074)		(300,533)
Principal Paid on Long-Term Debt		208,022		197,889
NET INCOME, GAAP Basis		213,279		623,147
NET POSITION, Beginning		7,252,833		6,629,686
NET POSITION, Ending		\$ 7,466,112		\$ 7,252,833

See the accompanying Independent Auditor's Report.

## STATE COMPLIANCE

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>Town of Monument</b>
		YEAR ENDING : <b>December 2015</b>
This Information From The Records Of Town Of Monument	Prepared By: Phone:	Pamela Smith, Town Treasurer 719-884-8045

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	166,943
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	(128,488)
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	204,731	b. Snow and ice removal	47,335
3. Other local imposts (from page 2)	167,507	c. Other	0
4. Miscellaneous local receipts (from page 2)	53,389	d. Total (a. through c.)	47,335
5. Transfers from toll facilities	0	4. General administration & miscellaneous	81,153
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	518,766
a. Bonds - Original Issues	0	6. Total (1 through 5)	685,709
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	425,627	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	260,082	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	685,709	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	685,709

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	685,709	(685,709)	0	(0)

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2015

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines and Penalties	53,389
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	69,641	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	1,720	f. Charges for Services	0
5. Specific Ownership &/ orOther	96,147	g. Other Misc. Receipts	0
6. Total (1. through 5.)	167,507	h. Other	0
c. Total (a. + b.)	167,507	i. Total (a. through h.)	53,389
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	232,992	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registration	27,091	d. Federal Transit Admin	0
d. Other - (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	27,091	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	260,082	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	63,542	63,542
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	103,401	103,401
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1)+(2)+(3)+(4)	0	166,943	166,943
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	166,943	166,943
			(Carry forward to page 1)

Notes and Comments: