

TOWN OF MONUMENT, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2011

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FINANCIAL SECTION



**JOHN CUTLER
& ASSOCIATES**

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

INDEPENDENT AUDITORS' REPORT

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, 2011, which collectively comprise the basic financial statements of the Town, as listed in the table of contents. These financial statements are the responsibility of the Town of Monument, Colorado's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Monument, Colorado's basic financial statements. The individual fund schedules and state compliance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

June 15, 2012

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, 2011. 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 2011 by \$17,135,092 (net assets). Of this amount, \$1,343,558 (unrestricted net assets) may be used for the Town's obligations to citizens and creditors.
- At December 31, 2011, the Town of Monument's governmental funds reported combined ending fund balances of \$1,657,889 an increase of \$604,352 in comparison with the prior year. \$578,419 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 \$578,419, or 15.3% of the total General Fund expenditures.
- Sales and use taxes revenue, the Town's largest source of revenue was \$2,946,633 for 2011 as compared to \$2,617,208 for the prior year, an increase of 12.6%. The key factor for this was an increase in commercial and residential development and a slightly more robust economy in 2011.

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.

This *statement of net assets* presents information on all of the Town of Monument's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Fund Financial Statements

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

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

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

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

Proprietary fund – The *enterprise fund* of the proprietary fund type is used to report the same functions presented as *business-type activities* in the government-wide financial statements, but provide more detail and additional information, such as cash flow. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets 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 24 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Monument's General Fund actual versus budgetary expenditures and can be found on pages 25 through 26 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 27 through 34.

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 8th year the Town has reported using the GASB 34 model. Comparisons of 2010 to 2011 follow. In the case of the Town of Monument, assets exceeded liabilities by \$16,919,770 at the end of 2010 and at the end of 2011 by \$17,135,092 an increase in Total Net Assets of \$215,322 or 1.3%.

Net Assets	2011	2010	2011	2010	2011	2010
	Governmental Activities	Governmental Activities	Business- type Activities	Business- type Activities	Total	Total
Current and other assets	\$2,868,480	\$2,268,143	\$ 256,849	\$ 463,117	\$ 3,125,329	\$2,731,260
Capital assets, net	11,258,302	11,775,614	7,687,560	7,928,934	18,945,862	19,704,548
Total assets	14,126,782	14,043,757	7,944,409	8,392,051	22,071,191	22,435,808
Long term liabilities	2,620,818	3,003,247	973,091	1,125,343	3,593,909	4,128,590
Other liabilities	1,210,591	1,214,606	131,599	172,842	1,342,190	1,387,448
Total liabilities	3,831,409	4,217,853	1,104,690	1,298,185	4,936,099	5,516,038
Net assets:						
Invested in capital assets, net of related debt	8,864,476	8,999,359	6,755,026	6,846,438	15,619,502	15,845,797
Restricted	172,032	164,000	-	-	172,032	164,000
Unrestricted	1,258,865	662,545	84,693	247,428	1,343,558	909,973
Total net assets	\$10,295,373	\$9,825,904	\$6,839,719	\$7,093,866	17,135,092	\$16,919,770

The largest portion of the Town of Monument's net assets (92%) 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 assets may be used to meet the Town's ongoing obligations to citizens and creditors.

A small portion of the Town of Monument's net assets (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$1,343,558, may be used to meet the Town's ongoing obligations to citizens and creditors

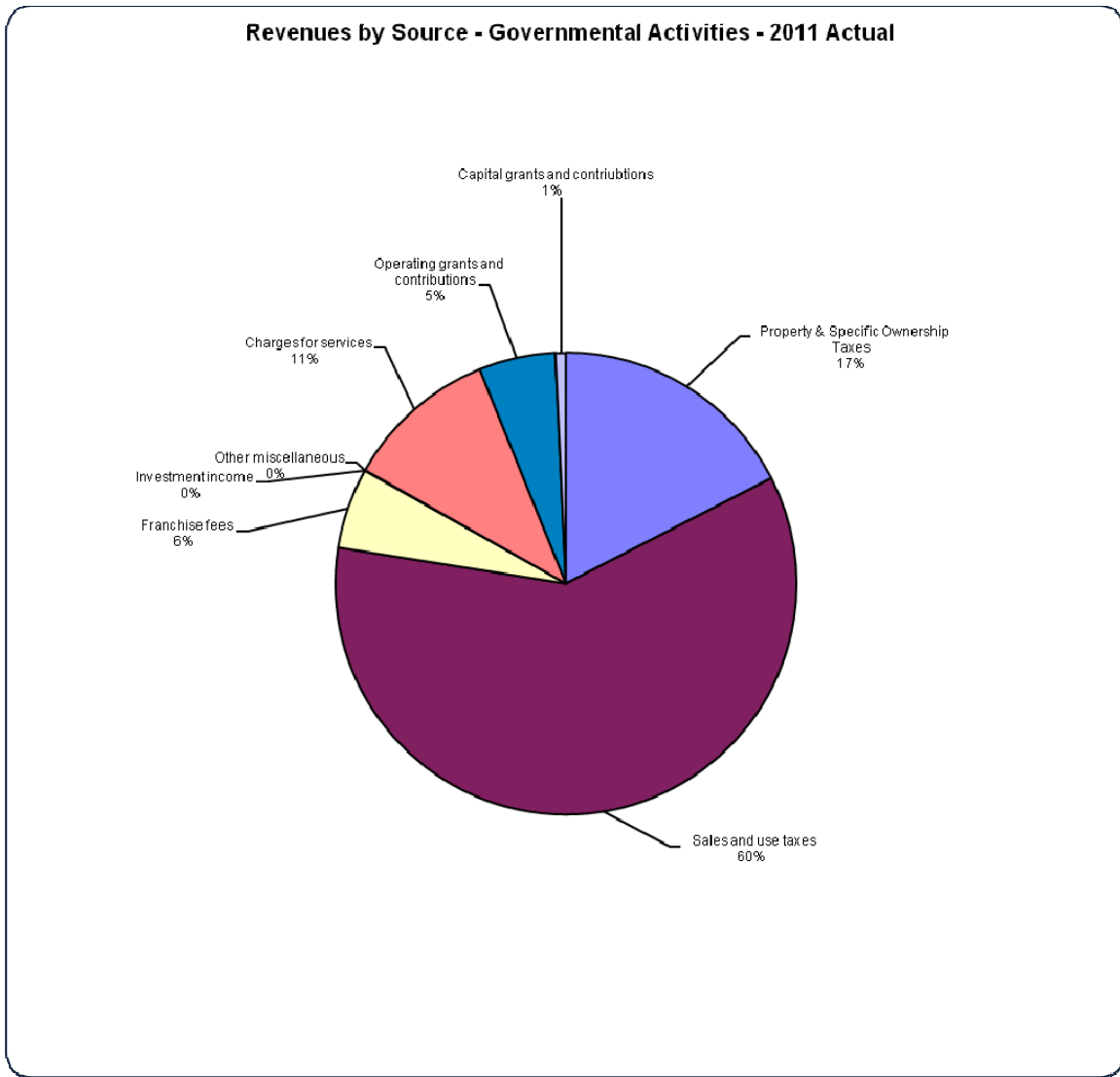
Changes in Net Assets

The Town's net assets increased \$215,322 during 2011. Governmental Activities reported a \$469,469 increase, with sales tax revenue and property taxes being the largest contributors. A decrease of \$254,147 for Business Type Activities was realized, due to reduced sales tax collections, investment income and increased expenses in 2011.

<u>CHANGES IN NET ASSETS</u>						
	2011 Governmental Type Activities	2010 Governmental Type Activities	2011 Business Type Activities	2010 Business Type Activities	2011 Total	2010 Total
Revenues:						
Program revenues:						
Charges for Services	\$474,955	\$341,229	\$713,013	\$728,045	\$1,187,968	\$1,069,274
Operating Grants & Contributions	237,058	205,140	-	-	237,058	205,140
Capital Grants & Contributions	32,868	34,934	-	99,000	32,868	133,934
General revenues:						
Property taxes	773,111	759,129	-	-	773,111	759,129
Sales taxes	2,660,729	2,617,208	96,321	100,386	2,757,050	2,717,594
Franchise taxes	250,262	279,234	-	-	250,262	279,234
Other Taxes	187,896	150,435	-	-	187,896	150,435
Investment income	604	2,232	439	611	1,043	2,843
Other Misc	1,364	6,169	303,299	228,505	304,663	234,674
Total revenues	<u>4,618,847</u>	<u>4,395,710</u>	<u>1,113,072</u>	<u>1,156,547</u>	<u>5,731,919</u>	<u>5,552,257</u>
Program expenses:						
General government	1,553,208	1,521,820	-	-	1,553,208	1,521,820
Public safety	1,197,940	1,247,884	-	-	1,197,940	1,247,884
Public works	1,265,123	1,250,964	-	-	1,265,123	1,250,964
Interest on long-term debt	133,107	151,724	54,183	66,119	187,290	217,843
Water	-	-	1,313,036	1,204,215	1,313,036	1,204,215
Total expenses	<u>4,149,378</u>	<u>4,172,392</u>	<u>1,367,219</u>	<u>1,270,334</u>	<u>5,516,597</u>	<u>5,442,726</u>
Increase (decrease) in net assets	469,469	223,318	(254,147)	(113,787)	215,322	109,531
Net assets 12/31/10-09	<u>9,825,904</u>	<u>9,602,586</u>	<u>7,093,866</u>	<u>7,207,653</u>	<u>16,919,770</u>	<u>16,810,239</u>
Net Assets 12/31/11-10	<u>\$10,295,373</u>	<u>\$9,825,904</u>	<u>\$6,839,719</u>	<u>\$7,093,866</u>	<u>\$17,135,092</u>	<u>\$16,919,770</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 60%. 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 19%. Property taxes are 17% of the Town's revenue for governmental activities.

Business-type Activities

Charges for services account for 64% of the Town's revenue for business-type activities. The Town's IGA with Triview Metropolitan District for water services accounts for 26%. Sales taxes account for 9% and the remaining interest income and miscellaneous revenue accounts for less than 1% of total revenues.

Financial Analysis of the Town's Funds

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

Significant balances and transactions for General Fund revenue include sales tax related to the development at Monument Marketplace, development and Development Services fees and increased franchise fees. In 2008, to be in compliance with GASB 34, the Town began to report infrastructure as an asset for a net Asset increase of \$6,230,145 that was not reported in previous years.

Significant balances and transactions for General Fund – Public Works Department expenditures include asphalt repairs in Historic Monument in the amount of \$59,335. The Town also spent \$23,400 on a bucket truck. \$10,704 was spent on 2nd street improvements, as well as working on Old Denver Highway road repairs in the amount of \$50,000.

The Water Department spent \$30,260 for generator hook ups for Wells 7 & 8.

The 2A Water ASD Fund \$15,167 on the purchase of Twin Lakes water shares.

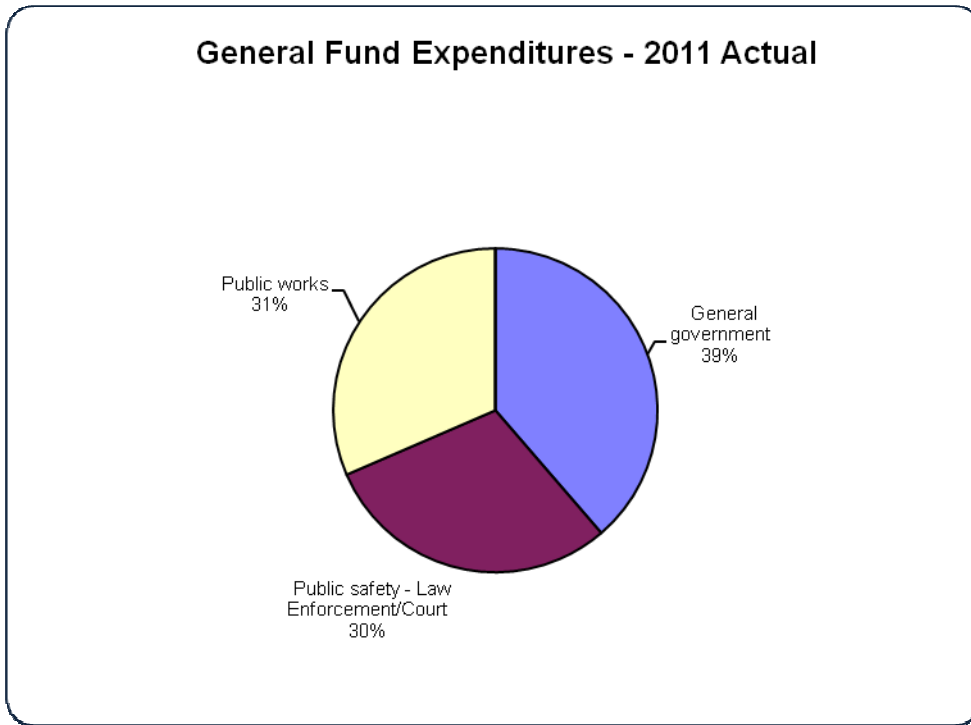
The Town Manager, in conjunction with the Department Heads, continued to analyze the Town's salary ranges to keep up with competitive rates, for non-exempt employees, for related size towns and job descriptions. We were not able to give any COLA raises and have no layoffs in 2011. This is the 2nd year in a row that the Town has not increased salaries for it's' workers.

Water Fund revenue was more than Budget by \$10,082 due to increased customer usage. Of the revenues, \$297,924 represents Triview Metropolitan District Water IGA revenue. There was no tap fee revenue in 2011. 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 Fund actual budgetary expenses were approximately \$76,283 below budget in 2011 due to decreased operations and maintenance funds being expended.

General Fund Budgetary Highlights

The Board of Trustees must approve increases in the expenditure budget for any fund. Line item budget transfers are allowed within a fund with the approval of the Town Manager. The General Fund's original budgeted expenditures were \$3,784,300. There was no reforecast budget in 2011. Actual expenditures for 2011 were \$3,768,496 an amount favorable to budgeted expenditures of \$15,804. The majority of this positive variance was the result of administration expenditures being considerably under budget. 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, 2011 totaled \$18,945,862 (net of accumulated depreciation). Water fund capital assets represent 41% of this total.

The capital projects for the Town's governmental activities consisted of Public Works Department expenditures for asphalt repairs in Historic Monument in the amount of \$59,335. The Town also spent \$23,400 on a bucket truck. \$10,704 was spent on 2nd street improvements, as well as working on Old Denver Highway road repairs in the amount of \$50,000.

The Water Department spent \$30,260 for generator hook ups for Wells 7 & 8.

The 2A Water ASD Fund \$15,167 on the purchase of Twin Lakes water shares.

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

Long-term Debt

The Town of Monument's total debt decreased by \$535,511 during 2011.

The Town's long-term debt related to governmental activities decreased in 2011. Payments of \$385,549 were made on bonds, loans and capital lease obligations during the year. The Town did not enter into any new leases and compensated absences increased \$3,120.

The Town's long-term debt related to business-type activities decreased in 2011. Payments of \$149,962 were made on bonds, loans and capital lease obligations. Compensated absences for business-type activities decreased by \$2,300.

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

Economic Factors and Next Year's Budget and Rates

The unemployment rate for El Paso County in 2011 was 8.9% down 0.7% from the 2010 average. This compares to the national average of 8.5% and state average of 7.9% for 2011.

Total land use permits issued in 2011 were 114, with 103 residential, 5 commercial and 6 miscellaneous. This is down 25 permits from 2010, with the decrease coming in roofing permits. 2012 is expected to meet or be slightly higher than 2011 numbers.

Total retail sales tax is budgeted at \$3,900,000 for 2012, which compares to \$3,847,195 in 2011, an increase of 1.2%.

Property tax revenue is expected to decrease \$58,604 in 2012. This decrease reflects the reassessment of property values by the County in 2011. The mill levy for 2012 is 6.289 mills, unchanged since 2008.

The 2012 budget includes capital projects for asphalt repairs, continued work on Second and Third Street upgrades and repaving the old police station parking lot. There is money for the purchase of a new bucket truck for Public Works and a new police car for Law Enforcement. The Water Enterprise Fund has capital projects to reline and rebuild Well #2, Transit Loss, generator hook ups for Wells #7 and #8 and an upgrade to the SCADA software system for the water plants. Administration is budgeted to upgrade the finance software, which has not been done since 2005. The ancillary funds have available cash for designated projects as they are assigned.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Monument's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or additional financial information should be addressed to the Town Treasurer at the Town of Monument, PO Box 325 or 645 Beacon Lite Road, Monument, Colorado, 80132.

BASIC FINANCIAL STATEMENTS

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET ASSETS

As of December 31, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL	
			2011	2010
ASSETS				
Cash and Investments	\$ 1,237,141	\$ -	\$ 1,237,141	\$ 821,108
Restricted Cash and Investments	40,550	285,575	326,125	317,545
Receivables				
Property Taxes	647,903	-	647,903	712,987
Sales and Other	839,332	-	839,332	774,271
Accounts	13,181	61,647	74,828	104,272
Interfund Amounts	90,373	(90,373)	-	-
Prepaid Expenses	-	-	-	1,077
Capital Assets, Not Depreciated	722,290	3,505,376	4,227,666	4,227,666
Capital Assets, Depreciated Net of Accumulated Depreciation	10,536,012	4,182,184	14,718,196	15,476,882
TOTAL ASSETS	14,126,782	7,944,409	22,071,191	22,435,808
LIABILITIES				
Accounts Payable	409,743	29,868	439,611	395,840
Retainage Payable	-	-	-	32,926
Accrued Salaries and Benefits	80,277	53,034	133,311	168,124
Accrued Interest	-	36,438	36,438	40,640
Deferred Revenues	647,903	-	647,903	712,987
Developer Escrow and Deposits	72,668	12,259	84,927	36,931
Noncurrent Liabilities				
Due within One Year	403,577	158,155	561,732	535,511
Due in More Than One Year	2,217,241	814,936	3,032,177	3,593,079
TOTAL LIABILITIES	3,831,409	1,104,690	4,936,099	5,516,038
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	8,864,476	6,755,026	15,619,502	15,845,797
Restricted for Emergencies	172,032	-	172,032	164,000
Unrestricted	1,258,865	84,693	1,343,558	909,973
TOTAL NET ASSETS	\$ 10,295,373	\$ 6,839,719	\$ 17,135,092	\$ 16,919,770

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2011

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,553,208	\$ 272,075	\$ 36,637	\$ -
Public Safety	1,197,940	-	-	-
Public Works	1,242,908	202,880	200,421	32,868
Parks and Recreation	22,215	-	-	-
Interest on Long-Term Debt	133,107	-	-	-
Total Governmental Activities	<u>4,149,378</u>	<u>474,955</u>	<u>237,058</u>	<u>32,868</u>
Business-Type Activities				
Water	1,313,036	713,013	-	-
Interest on Long-Term Debt	54,183	-	-	-
Total Business-Type Activities	<u>1,367,219</u>	<u>713,013</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 5,516,597</u>	<u>\$ 1,187,968</u>	<u>\$ 237,058</u>	<u>\$ 32,868</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Franchise Taxes
Other Taxes
Interest
Other

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET ASSETS

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2011	2010
\$ (1,244,496)	\$ -	\$ (1,244,496)	\$ (1,320,661)
(1,197,940)	-	(1,197,940)	(1,247,884)
(806,739)	-	(806,739)	(844,413)
(22,215)	-	(22,215)	(26,407)
(133,107)	-	(133,107)	(151,724)
<u>(3,404,497)</u>	<u>-</u>	<u>(3,404,497)</u>	<u>(3,591,089)</u>
-	(600,023)	(600,023)	(377,170)
-	(54,183)	(54,183)	(66,119)
<u>-</u>	<u>(654,206)</u>	<u>(654,206)</u>	<u>(443,289)</u>
(3,404,497)	(654,206)	(4,058,703)	(4,034,378)
2,660,729	96,321	2,757,050	2,717,594
773,111	-	773,111	759,129
250,262	-	250,262	279,234
187,896	-	187,896	150,435
604	439	1,043	2,843
1,364	303,299	304,663	234,674
<u>3,873,966</u>	<u>400,059</u>	<u>4,274,025</u>	<u>4,143,909</u>
469,469	(254,147)	215,322	109,531
<u>9,825,904</u>	<u>7,093,866</u>	<u>16,919,770</u>	<u>16,810,239</u>
<u>\$ 10,295,373</u>	<u>\$ 6,839,719</u>	<u>\$ 17,135,092</u>	<u>\$ 16,919,770</u>

TOWN OF MONUMENT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2011

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2011	2010
ASSETS					
Cash and Investments	\$ 635,973	\$ 539,703	\$ 61,465	\$ 1,237,141	\$ 685,997
Restricted Cash and Investments	40,550	-	-	40,550	40,550
Property Taxes Receivable	647,903	-	-	647,903	712,987
Other Taxes Receivable	839,332	-	-	839,332	774,271
Accounts Receivable	13,181	-	-	13,181	53,261
Due From Other Funds	97,103	313,032	-	410,135	319,762
Prepaid Expense	-	-	-	-	1,077
TOTAL ASSETS	\$ 2,274,042	\$ 852,735	\$ 61,465	\$ 3,188,242	\$ 2,587,905
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 409,743	\$ -	\$ -	\$ 409,743	\$ 366,625
Retainage Payable	-	-	-	-	32,926
Accrued Salaries and Benefits	80,277	-	-	80,277	75,446
Due to Other Funds	313,032	-	6,730	319,762	319,762
Deferred Revenues	647,903	-	-	647,903	712,987
Developer Escrow	72,668	-	-	72,668	26,622
TOTAL LIABILITIES	1,523,623	-	6,730	1,530,353	1,534,368
FUND EQUITY					
Fund Balance					
Restricted for Emergencies	172,000	-	32	172,032	164,000
Committed	-	852,735	54,703	907,438	684,294
Unassigned	578,419	-	-	578,419	205,243
TOTAL FUND EQUITY	750,419	852,735	54,735	1,657,889	1,053,537
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,274,042	\$ 852,735	\$ 61,465		

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	11,258,302	11,775,614
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include Bonds Payable of (\$783,500), Capital Leases (\$1,607,206), and Accrued Compensated Absences (\$230,112).	(2,620,818)	(3,003,247)
Net assets of governmental activities	<u>\$ 10,295,373</u>	<u>\$ 9,825,904</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2011

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS	
				2011	2010
REVENUES					
Taxes	\$ 3,424,889	\$ 285,440	\$ 153,058	\$ 3,863,387	\$ 3,775,358
Licenses and Permits	-	-	46,935	46,935	43,585
Intergovernmental	512,074	-	32,869	544,943	406,601
Charges for Services	83,922	-	7,471	91,393	104,448
Court	70,221	-	-	70,221	57,317
Interest	216	337	51	604	2,232
Miscellaneous	1,364	-	-	1,364	6,169
TOTAL REVENUES	4,092,686	285,777	240,384	4,618,847	4,395,710
EXPENDITURES					
General Government	1,357,908	-	38,929	1,396,837	1,386,582
Public Safety	1,180,048	-	-	1,180,048	1,217,606
Public Works	691,305	-	-	691,305	654,112
Parks and Recreation	-	-	3,749	3,749	4,936
Debt Service					
Principal	281,549	-	104,000	385,549	390,235
Interest	84,049	-	49,058	133,107	151,724
Capital Outlay	173,637	15,167	35,096	223,900	210,490
TOTAL EXPENDITURES	3,768,496	15,167	230,832	4,014,495	4,015,685
NET CHANGE IN FUND BALANCES	324,190	270,610	9,552	604,352	380,025
FUND BALANCES, Beginning	426,229	582,125	45,183	1,053,537	673,512
FUND BALANCES, Ending	\$ 750,419	\$ 852,735	\$ 54,735	\$ 1,657,889	\$ 1,053,537

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, 2011

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 604,352
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 (\$706,116), exceeded capital outlay \$188,804 the current period.	(517,312)
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 assets. These include bond payments of \$104,000, payments of capital leases of \$281,549, and change in accrued compensated absences of (\$3,120).	<u>382,429</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 469,469</u></u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPE
 As of December 31, 2011

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash and Investments	\$ -	\$ 135,111
Restricted Cash and Investments	285,575	276,995
Accounts Receivable	<u>61,647</u>	<u>51,011</u>
Total Current Assets	<u>347,222</u>	<u>463,117</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	<u>7,687,560</u>	<u>7,928,934</u>
TOTAL ASSETS	<u>8,034,782</u>	<u>8,392,051</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	29,868	29,215
Accrued Expenses	53,034	92,678
Due to General Fund	90,373	-
Accrued Interest Payable	36,438	40,640
Bonds Payable, Current Portion	<u>158,155</u>	<u>149,962</u>
Total Current Liabilities	<u>367,868</u>	<u>312,495</u>
Noncurrent Liabilities		
Deposits	12,259	10,309
Accrued Compensated Absences	40,557	42,847
Bonds Payable	<u>774,379</u>	<u>932,534</u>
Total Noncurrent Liabilities	<u>827,195</u>	<u>985,690</u>
TOTAL LIABILITIES	<u>1,195,063</u>	<u>1,298,185</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	6,755,026	6,846,438
Restricted for Debt Service	285,575	276,995
Unreserved	<u>(200,882)</u>	<u>(29,567)</u>
TOTAL NET ASSETS	<u>\$ 6,839,719</u>	<u>\$ 7,093,866</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE
Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for Services	\$ 713,013	\$ 728,045
Miscellaneous Income	303,299	228,505
	<u>1,016,312</u>	<u>956,550</u>
OPERATING EXPENSES		
Operations and Maintenance	277,538	285,959
Administrative and General	763,863	626,859
Depreciation	271,635	291,397
	<u>1,313,036</u>	<u>1,204,215</u>
OPERATING LOSS	<u>(296,724)</u>	<u>(247,665)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales Taxes	96,321	100,386
Interest Income	439	611
Interest Expenses	(54,183)	(66,119)
	<u>42,577</u>	<u>34,878</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS	(254,147)	(212,787)
Capital Contributions	<u>-</u>	<u>99,000</u>
NET LOSS	(254,147)	(113,787)
NET ASSETS, Beginning	<u>7,093,866</u>	<u>7,207,653</u>
NET ASSETS, Ending	<u>\$ 6,839,719</u>	<u>\$ 7,093,866</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, 2011

Increase (Decrease) in Cash and Cash Equivalents

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 702,377	\$ 725,973
Cash Received from Others	303,299	228,505
Cash Paid to Suppliers	(484,448)	(368,476)
Cash Paid to Employees	(507,861)	(501,468)
Net Cash Provided by Operating Activities	<u>13,367</u>	<u>84,534</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales Tax Received	<u>96,321</u>	<u>100,386</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(30,260)	-
Bond Payments	(149,962)	(142,214)
Interest Payments	(58,385)	(66,119)
Capital Contributions	-	99,000
Deposits Returned to Customers	1,949	(401)
Net Cash Used by Capital and Related Financing Activities	<u>(236,658)</u>	<u>(109,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>439</u>	<u>611</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(126,531)	75,797
CASH AND CASH EQUIVALENTS, Beginning	<u>412,106</u>	<u>336,309</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 285,575</u>	<u>\$ 412,106</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	<u>\$ (296,724)</u>	<u>\$ (247,665)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation and Amortization	271,635	291,397
Changes in Assets and Liabilities		
Accounts Receivable	(10,636)	(2,072)
Accounts Payable	91,026	29,215
Accrued Expenses	(39,644)	9,556
Accrued Compensated Absences	(2,290)	4,103
Total Adjustments	<u>310,091</u>	<u>332,199</u>
Net Cash Provided by Operating Activities	<u>\$ 13,367</u>	<u>\$ 84,534</u>

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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 assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of 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, 2011

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary (enterprise) fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

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 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.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets/Fund Equity

In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed.

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.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors 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 did not have any committed resources as of December 31, 2011.
- 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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY(Continued)

- 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.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2011 follows:

Petty Cash	\$ 1,300
Cash Deposits	20,368
Investments	<u>1,541,598</u>
Total	<u>\$ 1,563,266</u>

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

Cash and Investments	\$ 1,237,141
Restricted Cash and Investments	<u>326,125</u>
Total	<u>\$ 1,563,266</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, 2011 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 insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

At December 31, 2011, the Town had deposits with financial institutions with a carrying amount of \$20,368. The bank balances with the financial institutions were \$158,769. Of these balances, \$158,769 was covered by federal depository insurance.

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

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

The Town had invested \$1,541,598 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. Colotruster is rated AAA by Standard and Poor's.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Restricted Cash

Cash is restricted for the following purposes:

Operating Reserve	\$ 285,575
Debt Service Reserve	<u>40,550</u>
Total	<u>\$ 326,125</u>

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 which equals \$268,766. The CWCB loan requires 10% of annual payment as a reserve or \$16,809. For this purpose, the Town has restricted cash and investments of \$285,575 at December 31, 2011.

Debt Service Reserve – The 1997 Rural Economic and Community Development Loan was funded in full and converted to Water Revenue Bonds, Series 1995. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted cash in the amount of \$40,550 at December 31, 2011.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2011 is summarized below:

	Balances <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/11</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 722,290	\$ -	\$ -	\$ 722,290
Total Capital Assets, not depreciated	<u>722,290</u>	<u>-</u>	<u>-</u>	<u>722,290</u>
Capital Assets, depreciated				
Buildings	3,754,587	-	-	3,754,587
Infrastructure	8,367,154	-	-	8,367,154
Water Rights	120,157	15,167	-	135,324
Furniture and Equipment	278,573	-	-	278,573
Vehicles and Street Equipment	1,093,938	53,600	-	1,147,538
Park Improvements	411,839	-	-	411,839
Street Improvements	<u>2,679,641</u>	<u>120,037</u>	<u>-</u>	<u>2,799,678</u>
Total Capital Assets, depreciated	<u>16,705,889</u>	<u>188,804</u>	<u>-</u>	<u>16,894,693</u>
Less Accumulated Depreciation				
Buildings	484,115	117,048	-	601,163
Infrastructure	2,973,724	278,905	-	3,252,629
Water Rights	4,806	2,706	-	7,512
Furniture and Equipment	271,339	5,140	-	276,479
Vehicles and Street Equipment	865,668	52,668	-	918,336
Park Improvements	161,201	21,472	-	182,673
Street Improvements	<u>891,712</u>	<u>228,177</u>	<u>-</u>	<u>1,119,889</u>
Total Accumulated Depreciation	<u>5,652,565</u>	<u>706,116</u>	<u>-</u>	<u>6,358,681</u>
Total Capital Assets, depreciated, Net	<u>11,053,324</u>	<u>(517,312)</u>	<u>-</u>	<u>10,536,012</u>
Governmental Activities, Capital Assets, Net	<u>\$ 11,775,614</u>	<u>\$ (517,312)</u>	<u>\$ -</u>	<u>\$ 11,258,302</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/11</u>
Business-Type Activities				
Capital Assets, not depreciated				
Water Master Plan	\$ 586,111	\$ -	\$ -	\$ 586,111
Construction in Progress	<u>2,919,265</u>	<u>-</u>	<u>-</u>	<u>2,919,265</u>
Total Capital Assets, not depreciated	<u>3,505,376</u>	<u>-</u>	<u>-</u>	<u>3,505,376</u>
Capital Assets, depreciated				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Building	113,800	-	-	113,800
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,199,322	-	-	1,199,322
Other Equipment	548,428	30,261	-	578,689
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	7,420,092	-	-	7,420,092
Transmission & Distribution	1,535,513	-	-	1,535,513
Vehicles	<u>228,568</u>	<u>-</u>	<u>-</u>	<u>228,568</u>
Total Capital Assets, depreciated	<u>12,070,359</u>	<u>30,261</u>	<u>-</u>	<u>12,100,620</u>
Less: Accumulated Depreciation				
Water Rights	42,500	2,500	-	45,000
Alluvium Wells	311,594	15,241	-	326,835
Public Works Building	15,172	3,793	-	18,965
Iron Treatment Plant	215,889	9,595	-	225,484
Water Treatment Plant	187,085	39,977	-	227,062
Other Equipment	508,020	13,228	-	521,248
Slabaugh Well	70,817	3,828	-	74,645
Wells/Treatment	4,689,374	155,766	-	4,845,140
Transmission & Distribution	1,398,388	21,436	-	1,419,824
Vehicles	<u>207,962</u>	<u>6,271</u>	<u>-</u>	<u>214,233</u>
Total Accumulated Depreciation	<u>7,646,801</u>	<u>271,635</u>	<u>-</u>	<u>7,918,436</u>
Total Capital Assets, depreciated, Net	<u>4,423,558</u>	<u>(241,374)</u>	<u>-</u>	<u>4,182,184</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 7,928,934</u>	<u>\$ (241,374)</u>	<u>\$ -</u>	<u>\$ 7,687,560</u>

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

Governmental Activities

General Government	\$ 121,275
Public Safety	14,772
Public Works	551,603
Parks and Recreation	<u>18,446</u>
Total	<u>\$ 706,116</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2011.

	Balance <u>12/31/10</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/11</u>	Due In <u>One Year</u>
'79 GO Water Bonds	\$ 47,500	\$ -	\$ 4,000	\$ 43,500	\$ 4,500
CWR&PDA '97 GO Loan	840,000	-	100,000	740,000	105,000
Capital Leases	1,888,755	-	281,549	1,607,206	294,077
Accrued Compensated Absences	<u>226,992</u>	<u>3,120</u>	<u>-</u>	<u>230,112</u>	<u>-</u>
Total	<u>\$ 3,003,247</u>	<u>\$ 3,120</u>	<u>\$ 385,549</u>	<u>\$ 2,620,818</u>	<u>\$ 403,577</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 4.45%. These leases mature from 2008-2016.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 5: LONG-TERM DEBT(Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2011 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 109,500	\$ 43,457	\$ 152,957
2013	119,500	37,510	157,010
2014	125,000	30,845	155,845
2015	130,000	23,875	153,875
2016	140,500	16,625	157,125
2017-2019	<u>159,000</u>	<u>9,815</u>	<u>168,815</u>
Total Debt Service Requirements	<u>\$ 783,500</u>	<u>\$ 162,127</u>	<u>\$ 945,627</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2011.

<u>Year Ended December 31,</u>	
2012	\$ 365,598
2013	365,598
2014	365,598
2015	365,598
2016	<u>365,598</u>
Total Minimum Lease Payments	1,827,990
Less: Interest	<u>(220,784)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,607,206</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2011.

	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/11</u>	<u>Due In</u> <u>One Year</u>
'95 GO Water Refunding					
Bonds	\$ 205,600	\$ -	\$ 30,100	\$ 175,500	\$ 30,700
2002 CWCB Loan	876,896	-	119,862	757,034	126,455
Compensated Absences	<u>42,847</u>	<u>-</u>	<u>2,290</u>	<u>40,557</u>	<u>-</u>
Total	<u>\$ 1,125,343</u>	<u>\$ -</u>	<u>\$ 152,252</u>	<u>\$ 973,091</u>	<u>\$ 158,155</u>

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 amount of \$40,550 at December 31, 2011.

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.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2011 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 158,155	\$ 50,229	\$ 208,384
2013	166,710	41,629	208,339
2014	175,747	32,564	208,311
2015	185,388	23,006	208,394
2016	195,255	12,925	208,180
2017	<u>51,279</u>	<u>2,820</u>	<u>54,099</u>
Total Debt Service Requirements	<u>\$ 932,534</u>	<u>\$ 163,173</u>	<u>\$ 1,095,707</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 5: LONG-TERM DEBT (Continued)

Conduit Debt

In December 2009, the Town issued St. Peter Catholic School Project Development Revenue Bonds to provide financial assistance to a private sector entity to acquire equipment and to construct and renovate certain buildings and educational facilities deemed in the public interest.

Neither the Town, State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as a liability in the Town's financial statements. Outstanding bonds at December 31, 2011 totaled \$1,337,492.

NOTE 6: RETIREMENT COMMITMENTS

Supplemental Death and Disability Plan

Death and disability coverage is provided for members through the Statewide Death and Disability Plan, a multi-employer defined contribution plan, which is administered by the Colorado Fire and Police Pension Association. All full-time, paid police officers of the Town are members of the Plan. The State Legislature establishes benefit provisions of the Plan. The total contribution required is 2.6% of each participating employee's covered salary. During the year ended December 31, 2011, the Town and employee contributions were \$18,240, equal to the required contribution.

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Town employees and permits them to defer a portion of their salary until future years. The Town matches employee contributions up to 5% of eligible salary. During the year ended December 31, 2011, the Town contributions were \$78,343, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 7: PUBLIC ENTITY RISK POOL

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE 7: PUBLIC ENTITY RISK POOL (Continued)

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 8: COMMITMENTS AND CONTINGENCIES

Monument Lake and Dam

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

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2011, the emergency reserve of \$172,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MONUMENT, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Taxes	\$ 3,414,723	\$ 3,424,889	\$ 10,166	\$ 3,285,586
Charges for Services	93,697	83,922	(9,775)	86,686
Intergovernmental	460,015	512,074	52,059	371,667
Court	53,000	70,221	17,221	57,317
Interest	1,008	216	(792)	1,913
Miscellaneous	-	1,364	1,364	6,169
TOTAL REVENUES	<u>4,022,443</u>	<u>4,092,686</u>	<u>70,243</u>	<u>3,809,338</u>
EXPENDITURES				
Current				
General Government	1,397,250	1,357,908	39,342	1,354,411
Public Safety	1,205,885	1,180,048	25,837	1,217,606
Public Works	641,567	691,305	(49,738)	654,112
Capital Outlay	174,000	173,637	363	180,603
Debt Service				
Principal	281,549	281,549	-	291,235
Interest	84,049	84,049	-	97,431
TOTAL EXPENDITURES	<u>3,784,300</u>	<u>3,768,496</u>	<u>15,804</u>	<u>3,795,398</u>
NET CHANGE IN FUND BALANCE	238,143	324,190	86,047	13,940
FUND BALANCE, Beginning	<u>320,917</u>	<u>426,229</u>	<u>105,312</u>	<u>412,289</u>
FUND BALANCE, Ending	<u>\$ 559,060</u>	<u>\$ 750,419</u>	<u>\$ 191,359</u>	<u>\$ 426,229</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

2A WATER ASD FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sales Tax	\$ 233,533	\$ 285,440	\$ 51,907	\$ 336,479
Interest	-	337	337	274
TOTAL REVENUES	<u>233,533</u>	<u>285,777</u>	<u>52,244</u>	<u>336,753</u>
EXPENDITURES				
Capital Outlay	<u>233,533</u>	<u>15,167</u>	<u>218,366</u>	<u>-</u>
TOTAL EXPENDITURES	<u>233,533</u>	<u>15,167</u>	<u>218,366</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	270,610	270,610	336,753
FUND BALANCE, Beginning		<u>582,125</u>	<u>582,125</u>	<u>245,372</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 852,735</u>	<u>\$ 852,735</u>	<u>\$ 582,125</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 As of December 31, 2011

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
ASSETS				
Cash and Investments	\$ 35,956	\$ 32	\$ 18,911	\$ 6,566
Due From Other Funds	-	-	-	-
TOTAL ASSETS	\$ 35,956	\$ 32	\$ 18,911	\$ 6,566
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accrued Salaries and Benefits	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	6,730	-	-	-
TOTAL LIABILITIES	6,730	-	-	-
FUND EQUITY				
Restricted	-	32	-	-
Committed	29,226	-	18,911	6,566
TOTAL FUND EQUITY	29,226	32	18,911	6,566
TOTAL LIABILITIES AND FUND EQUITY	\$ 35,956	\$ 32	\$ 18,911	\$ 6,566

See the accompanying independent auditors' report.

DEBT SERVICE FUND	TOTALS	
	2011	2010
\$ -	\$ 61,465	\$ 38,524
-	-	6,730
<u>\$ -</u>	<u>\$ 61,465</u>	<u>\$ 45,254</u>
\$ -	\$ -	\$ 71
-	6,730	-
-	6,730	71
-	32	-
-	54,703	45,183
-	54,735	45,183
<u>\$ -</u>	<u>\$ 61,465</u>	<u>\$ 45,254</u>

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2011

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
REVENUES				
Licenses and Permits	\$ 46,935	\$ -	\$ -	\$ -
Intergovernmental	-	32,869	-	-
Charges for Services	-	-	5,656	1,815
Sales Tax	-	-	-	-
Interest	26	2	17	6
TOTAL REVENUES	46,961	32,871	5,673	1,821
EXPENDITURES				
General Government	38,929	-	-	-
Parks and Recreation	-	3,749	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	5,209	29,887	-	-
TOTAL EXPENDITURES	44,138	33,636	-	-
CHANGE IN FUND BALANCES	2,823	(765)	5,673	1,821
FUND BALANCES, Beginning	26,403	797	13,238	4,745
FUND BALANCES, Ending	\$ 29,226	\$ 32	\$ 18,911	\$ 6,566

See the accompanying independent auditors' report.

DEBT SERVICE FUND	TOTALS	
	2011	2010
\$ -	\$ 46,935	\$ 43,585
-	32,869	34,934
-	7,471	17,762
153,058	153,058	153,293
-	51	45
<u>153,058</u>	<u>240,384</u>	<u>249,619</u>
-	38,929	32,171
-	3,749	4,936
104,000	104,000	99,000
49,058	49,058	54,293
-	35,096	29,887
<u>153,058</u>	<u>230,832</u>	<u>220,287</u>
-	9,552	29,332
-	45,183	15,851
<u>\$ -</u>	<u>\$ 54,735</u>	<u>\$ 45,183</u>

TOWN OF MONUMENT, COLORADO

COMMUNITY DEVELOPMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL FINAL BUDGET	ACTUAL		
REVENUES				
Business Licenses	\$ 36,500	\$ 46,935	\$ 10,435	\$ 43,585
Interest	25	26	1	28
TOTAL REVENUES	<u>36,525</u>	<u>46,961</u>	<u>10,436</u>	<u>43,613</u>
EXPENDITURES				
General Government	31,486	38,929	(7,443)	32,171
Capital Outlay	20,000	5,209	14,791	-
TOTAL EXPENDITURES	<u>51,486</u>	<u>44,138</u>	<u>7,348</u>	<u>32,171</u>
NET CHANGE IN FUND BALANCE	(14,961)	2,823	17,784	11,442
FUND BALANCE, Beginning	<u>14,961</u>	<u>26,403</u>	<u>11,442</u>	<u>14,961</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 29,226</u>	<u>\$ 29,226</u>	<u>\$ 26,403</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 34,907	\$ 32,869	\$ (2,038)	\$ 34,934
Interest	30	2	(28)	2
TOTAL REVENUES	<u>34,937</u>	<u>32,871</u>	<u>(2,066)</u>	<u>34,936</u>
EXPENDITURES				
Parks and Recreation	<u>34,937</u>	<u>33,636</u>	<u>1,301</u>	<u>34,823</u>
TOTAL EXPENDITURES	<u>34,937</u>	<u>33,636</u>	<u>1,301</u>	<u>34,823</u>
NET CHANGE IN FUND BALANCE	-	(765)	(765)	113
FUND BALANCE, Beginning	<u>-</u>	<u>797</u>	<u>797</u>	<u>684</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 32</u>	<u>\$ 797</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

TRAFFIC IMPACT FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL FINAL BUDGET	ACTUAL		
REVENUES				
Traffic Impact Fees	\$ 28,000	\$ 5,656	\$ (22,344)	\$ 13,063
Interest	25	17	(8)	12
TOTAL REVENUES	<u>28,025</u>	<u>5,673</u>	<u>(22,352)</u>	<u>13,075</u>
EXPENDITURES				
Capital Outlay	<u>28,025</u>	<u>-</u>	<u>28,025</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	5,673	5,673	13,075
FUND BALANCE, Beginning	<u>-</u>	<u>13,238</u>	<u>13,238</u>	<u>163</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 18,911</u>	<u>\$ 18,911</u>	<u>\$ 13,238</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

STORM DRAINAGE IMPACT FEE
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Storm Drainage Impact Fees	\$ 16,000	\$ 1,815	\$ (14,185)	\$ 4,699
Interest	20	6	(14)	3
TOTAL REVENUES	16,020	1,821	(14,199)	4,702
EXPENDITURES				
Capital Outlay	16,020	-	16,020	-
TOTAL EXPENDITURES	16,020	-	16,020	-
NET CHANGE IN FUND BALANCE	-	1,821	1,821	4,702
FUND BALANCE, Beginning	-	4,745	4,745	43
FUND BALANCE, Ending	\$ -	\$ 6,566	\$ 6,566	\$ 4,745

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sales Tax	\$ 153,058	\$ 153,058	\$ -	\$ 153,293
TOTAL REVENUES	153,058	153,058	-	153,293
EXPENDITURES				
Debt Service				
Principal	104,000	104,000	-	99,000
Interest	49,058	49,058	-	54,293
TOTAL EXPENDITURES	153,058	153,058	-	153,293
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2011

	2011		VARIANCE Positive (Negative)	2010 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 720,795	\$ 713,013	\$ (7,782)	\$ 728,045
Sales Tax	98,445	96,321	(2,124)	100,386
Tap Fees	45,000	-	(45,000)	99,000
Investment Income	500	439	(61)	611
Triview Metropolitan District Water IGA	235,250	297,924	62,674	213,864
Other Revenues	3,000	5,375	2,375	14,641
TOTAL REVENUES	1,102,990	1,113,072	10,082	1,156,547
EXPENDITURES				
Operations and Maintenance	467,695	277,538	190,157	285,959
Administration and General	573,047	763,863	(190,816)	626,859
Capital Outlay	103,000	30,260	72,740	-
Debt Service				
Principal	149,962	149,962	-	142,214
Interest	58,385	54,183	4,202	66,119
TOTAL EXPENDITURES	1,352,089	1,275,806	76,283	1,121,151
NET INCOME, Budget Basis	\$ (249,099)	(162,734)	\$ 86,365	35,396
GAAP BASIS ADJUSTMENTS				
Capital Outlay		30,260		-
Depreciation		(271,635)		(291,397)
Principal Paid on Long-Term Debt		149,962		142,214
NET INCOME, GAAP Basis		(254,147)		(113,787)
NET ASSETS, Beginning		7,093,866		7,207,653
NET ASSETS, Ending		<u>\$ 6,839,719</u>		<u>\$ 7,093,866</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Monument
		YEAR ENDING : December 2011
This Information From The Records Of Town Of Monument	Prepared By: Phone:	Pamela Smith, Treasurer 719-884-8045

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	160,523
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	(90,968)
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	53,554	b. Snow and ice removal	31,732
3. Other local imposts (from page 2)	90,383	c. Other	0
4. Miscellaneous local receipts (from page 2)	236,111	d. Total (a. through c.)	31,732
5. Transfers from toll facilities	0	4. General administration & miscellaneous	59,236
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	423,587
a. Bonds - Original Issues	0	6. Total (1 through 5)	584,110
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	380,048	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	204,061	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	584,110	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	584,110

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	584,110	(584,110)	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines and Penalties	44,291
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	7,471	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	2,000	f. Charges for Services	191,820
5. Specific Ownership &/ orOther	80,913	g. Other Misc. Receipts	0
6. Total (1. through 5.)	90,383	h. Other	0
c. Total (a. + b.)	90,383	i. Total (a. through h.)	236,111
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	181,976	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	22,086	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.)	22,086	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	204,061	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	23,400	23,400
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	137,123	137,123
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1)+(2)+(3)+(4)	0	160,523	160,523
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	160,523	160,523
			(Carry forward to page 1)
Notes and Comments:			