TOWN OF MONUMENT, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2016

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Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INTRODUCTORY SECTION

MONUMENT
COLORADO
Proud of our past...Confident of our Future!

TOWN OF MONUMENT, COLORADO

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2016

BOARD OF TRUSTEES

Mayor Jeffery Kaiser
Mayor Pro Tem Don Wilson
Trustee Jeffrey Bornstein
Trustee Kelly Elliot
Trustee Greg Coopman
Trustee Shea Medlicott
Trustee Dennis Murphy

ADMINISTRATIVE STAFF

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

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FINANCIAL SECTION

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

6140 S. Gun Club Rd, Suite K6-132
Aurora, Colorado 80016
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Fax: 303.997.1056

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, 2016, 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, 2016, 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, 2015, by which a report dated June 13, 2016 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 27-28 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.

Supplementary Information and 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 accompanying supplementary information and other information, as 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Logan and Associates, LLC

Aurora, Colorado
June 16, 2017

2016 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, 2016. 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 2016 by $20,765,907 (net position). Of this amount, $1,383,843 (unrestricted net position) may be used for the Town's obligations to citizens and creditors.
- At December 31, 2016, the Town of Monument's governmental funds reported combined ending fund balances of $1,934,486 a decrease of $1,060,839 in comparison with the prior year. $389,853 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 $389,853, or 6.15% of the total General Fund expenditures. This is a decrease of 13.07% from the prior year.
- Sales and use taxes revenue, the Town's largest source of revenue was $4,061,351 for 2016 as compared to $3,636,802 for the prior year, an increase of 10.8%. The key factor for this was an increase in commercial and residential development and a more robust economy in 2016.

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 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 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 10 through 26 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 27 through 28 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 29 through 36.

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 13th year the Town has reported using the GASB 34 model. Comparisons of 2015 to 2016 follow. In the case of the Town of Monument, assets exceeded liabilities by $19,729,863 at the end of 2015 and at the end of 2016 by $20,765,907 an increase in Total Net Position of $1,036,044 or 5.3%.

Assets	**2016** Governmental Activities	**2015** Governmental Activities	**2016** Business-type Activities	**2015** Business-type Activities	**2016** Total	**2015** Total
Current and other assets	$ 3,498,333	$ 4,386,649	$1,188,921	$ 473,802	$ 4,687,254	$ 4,860,451
Capital assets, net	11,162,413	10,368,850	7,569,658	7,394,388	18,732,071	17,763,238
Total assets	14,660,746	14,755,499	8,758,579	7,868,190	23,419,325	22,623,689
Liabilities						
Long term liabilities	312,755	434,533	231,116	100,870	543,871	535,403
Other liabilities	1,085,414	1,292,055	230,483	301,208	1,315,897	1,593,263
Total liabilities	1,398,169	1,726,588	461,599	402,078	1,859,768	2,128,666
Deferred Inflow of Resources						
Deferred Property Tax Revenue	793,650	765,160	-	-	793,650	765,160
Net Position						
Net investment in capital assets	10,757,529	9,501,983	7,259,893	7,132,446	18,017,422	16,634,429
Restricted	201,723	177,170	1,162,919	691,809	1,364,642	868,979
Unrestricted	1,509,675	2,584,598	(125,832)	(358,143)	1,383,843	2,226,455
Total net position	$12,468,927	$12,263,751	$8,296,980	$7,466,112	$20,765,907	$19,729,863

The largest portion of the Town of Monument's net position (87%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

A small portion of the Town of Monument's net position (7%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, $1,383,843, may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

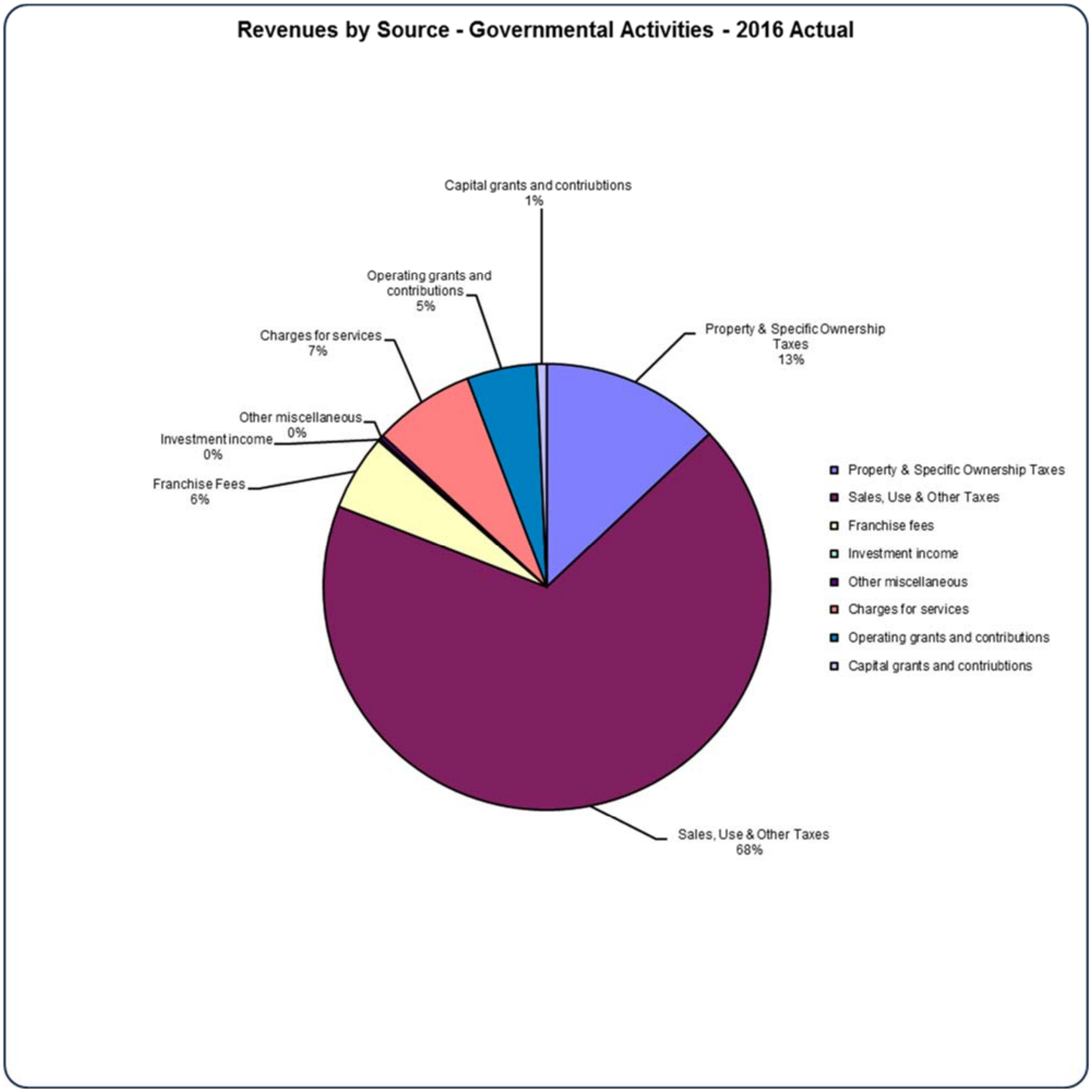
The Town's net position increased $1,036,044 during 2016. Governmental Activities reported an $205,176 increase, with sales tax revenue and property taxes being the largest contributors.

CHANGES IN NET POSITION

	2016 Governmental Type Activities	2015 Governmental Type Activities	2016 Business Type Activities	2015 Business Type Activities	2016 Total	2015 Total
Revenues:						
Program revenues:						
Charges for Services	$499,899	$421,354	1,305,262	844,733	$1,805,161	$1,266,087
Operating Grants & Contributions	328,461	86,264	-	-	328,461	86,264
Capital Grants & Contributions	47,759	40,532	681,110	252,470	728,869	293,002
General revenues:						
Property taxes	844,132	770,446	-	-	844,132	770,446
Sales taxes	4,200,563	3,831,968	176,553	103,899	4,377,116	3,935,867
Franchise taxes	358,620	348,003	-	-	358,620	348,003
Other Taxes	223,636	234,806	-	-	223,636	234,806
Investment income	11,154	6,044	5,834	436	16,998	6,480
Other Misc	19,522	6,100	25,474	19,958	44,996	26,058
Transfers	(21,865)	(367,484)	21,865	367,484	-	-
Total revenues	6,511,881	5,378,033	2,216,098	1,588,980	8,727,979	6,967,013
Program expenses:						
General government	2,556,150	1,855,144	-	-	2,556,150	1,855,144
Public safety	1,545,742	1,494,455	-	-	1,545,742	1,494,455
Public works, Parks & Recreation	2,171,923	1,892,826	-	-	2,171,923	1,892,826
Interest on long-term debt	22,890	68,662	16,629	16,222	39,519	84,884
Water	-	-	1,368,601	1,359,479	1,368,601	1,359,479
Total expenses	6,306,705	5,311,087	1,385,230	1,375,701	7,681,935	6,686,788
Increase (decrease) in net position	205,176	66,946	830,868	213,279	1,036,044	280,225
Net position 12/31/15	12,263,751	12,196,805	7,466,112	7,252,833	19,729,863	19,449,638
Net Position 12/31/16	$12,468,927	$12,263,751	$8,296,980	$7,466,112	$20,765,907	$19,729,863

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 68%. Property taxes are the second largest revenue source at 13% of the Town's revenue for governmental activities. Charges for services include planning, traffic impact and storm drainage impact fees and along with franchise fees comprise the third largest revenue source of the Town's governmental activities at 7%. The remaining interest income along with grants & contributions accounts for 12% of total revenues.

Business-type Activities
Charges for services account for 59% of the Town's revenue for business-type activities. Sales taxes account for 8% and the remaining interest income, grants & contributions and miscellaneous revenue accounts for 33% 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 $5,601,236, which was $11,366 under budget.

Significant balances and transactions for General Fund expenditures include $107,683 on furniture and equipment; $72,176 on vehicles and street equipment; $26,633 on park improvements and $548,852 on street improvements, for total capital outlay of $755,343. There was a CDOT grant match for the sidewalk project this year of $246,438.

The Water Department spent $46,094 on well repairs; $198,209 on equipment; $157,988 on transmission & distribution lines and $28,861 on the Water Master Plan re-writes and $105,261 on vehicles for total capital outlay of $536,413.

The 2A Water ASD Fund spent $1,048,163 for capital projects, $64,587 of which were contributed to the Water Enterprise Fund. This includes $915,000 in land purchases.

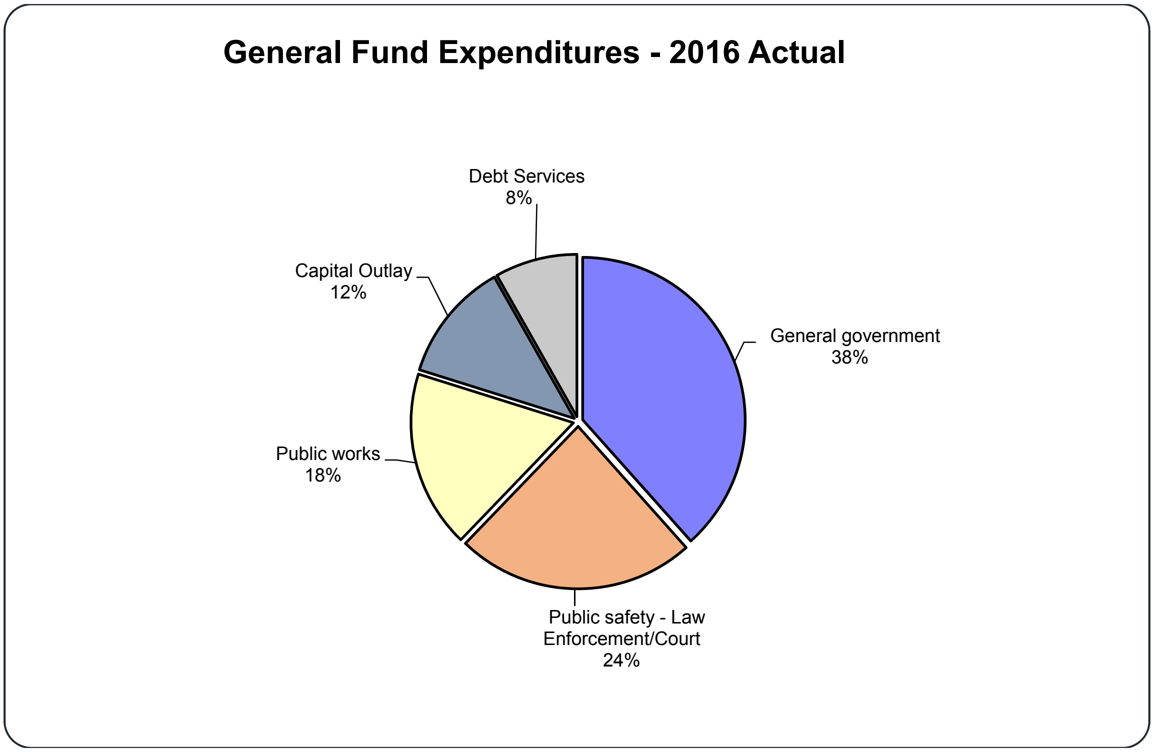
The Town Manager, in conjunction with the Department Heads, continued to analyze the Town's salary ranges to keep up with competitive rates, for non-exempt employees, for related size towns and job descriptions. We were able to give up to 5% Performance Based raises and had no layoffs in 2016. The Town is within range for the state-wide CML Salary Survey.

Water Fund revenue was more than Budget by $806,855 due to fees for service being increased in mid-2016 and additional tap fee revenue. Customer usage increased $460,529 from 2015 to 2016. Tap fee revenue in 2016 was $681,110 which was $546,110 more than budget. This is due to the accrual of tap fees to Lake of Rockies for the Mitchell Avenue water main loop project. 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 $1,305,262 and Sales Tax Revenue was $176,553.

Water Fund actual budgetary expenses were approximately $8,720 over budget in 2016 due to capital outlay that was paid in 2017 for 2016 commitments.

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 $6,462,587. Actual expenditures for 2016 were $6,352,662 an amount favorable to budgeted expenditures of $109,925. 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, 2016 totaled $18,732,011 (net of accumulated depreciation). Water fund capital assets represent 40% of this total.

The capital projects for the Town's governmental activities consisted of expenditures to include $107,683 on furniture and equipment; $72,176 on vehicles and street equipment; $26,633 on park improvements and $548,852 on street improvements, for total capital outlay of $755,343. There was a CDOT grant match for the sidewalk project this year of $246,438.

The Water Department spent $46,094 on well repairs; $198,209 on equipment; $157,988 on transmission & distribution lines and $28,861 on the Water Master Plan re-writes and $105,261 on vehicles for total capital outlay of $536,413.

The 2A Water ASD Fund spent $1,048,163 for capital projects, $64,587 of which were contributed to the Water Enterprise Fund. This includes $915,000 in land purchases.

Note 5 of the financial statements provide a detailed summary of the Town's capital assets.

Long-term Debt

The Town's long-term debt related to governmental activities decreased in 2016. Payments of $655,931 were made on bonds, loans and capital lease obligations during the year. The Town did enter a new lease agreement in 2016 for Capital Asset Improvements for the Departments in the amount of $193,515.

The Town's long-term debt related to business-type activities decreased in 2016. Payments of $273,661 were made on bonds, loans and capital lease obligations.
The Town did enter a new lease agreement in 2016 for Capital Asset Improvements for the Water Department in the amount of $ 321,484.

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 2016 was 3.1% down 0.9% from the 2015 average. This compares to the national average of 4.7% and state average of 2.7% for 2016.

Total land use permits issued in 2016 were 309, with 288 residential and 21 commercial. This is up 68 permits from 2015, with most of the increase coming in new single family homes. 2017 is expected to be higher than 2016 numbers, due to several new residential developments beginning in the Town.

Total retail sales tax is budgeted at $3,911,376 for 2017, which compares to $3,531,190 in 2016, an increase of 10.8%.

Property tax revenue is expected to increase $26,244 in 2017. This increase reflects a slight upswing in development over the previous year. The mill levy for 2017 is 6.289 mills. This levy brings the Town into compliance with Tabor and Gallagher laws. The mill levy for 2016 was 6.289 mills, unchanged since 2008.

The 2017 budget includes capital projects through two new capital leases which includes a road roller, trencher, gator for parks maintenance, and a Ford F350 pickup, which replaces a 16-year-old vehicle for Public Works. Law Enforcement is scheduled to receive a new police vehicle and tactical vests for the officers. Administration has a share of the generator for the Town Hall/Booster Station and a new town car for staff. The Water Enterprise Fund has splash park and other improvements at Limbach Park, the emergency generator for the booster station, engineering for radium removal at Well #9 and a transfer switch generator at Well #8.

Also, included in capital improvements for Public Works are: asphalt repairs for $250k; trail head parking lot repairs; skate park improvements; repairs to the basketball court in DWP; remove 4th street that goes through Lavelett Park; DQP bleachers for LL baseball field and bridge repairs at Highway 105 and the Trailhead. The Water Enterprise Fund has capital for a SCADA system software upgrade; a storage shed at Well #9 Treatment Plant; distribution line R&M; Well #4 & #5 treatment plant upgrade and Well #9 Ion exchange equipment for radium removal. 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 and re-use 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, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL 2016	TOTAL 2015
ASSETS				
Cash and Investments	$ 1,077,445	$ -	$ 1,077,445	$ 1,940,370
Restricted Cash and Investments	38,606	1,022,860	1,061,466	961,389
Receivables				
Property Taxes	793,650	-	793,650	765,160
Sales and Other	1,144,921	-	1,144,921	1,072,135
Accounts	1,904	118,186	120,090	119,715
Grants	11,247	-	11,247	-
Interfund Amounts	423,235	(423,235)	-	-
Prepaid Tap Fees - Water Line Loop	-	471,110	471,110	-
Prepaid Expenses	7,325	-	7,325	1,682
Capital Assets, Not Depreciated	1,767,122	3,598,626	5,365,748	4,372,056
Capital Assets, Depreciated Net of Accumulated Depreciation	9,395,291	3,971,032	13,366,323	13,391,182
TOTAL ASSETS	14,660,746	8,758,579	23,419,325	22,623,689
LIABILITIES				
Accounts Payable	562,084	75,197	637,281	510,678
Accrued Salaries and Benefits	62,382	8,355	70,737	63,405
Accrued Interest	3,305	2,205	5,510	22,686
Developer Escrow and Deposits	145,731	11,600	157,331	144,774
Noncurrent Liabilities				
Due within One Year	311,912	133,126	445,038	855,964
Due in More Than One Year	312,755	231,116	543,871	531,159
TOTAL LIABILITIES	1,398,169	461,599	1,859,768	2,128,666
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	793,650	-	793,650	765,160
NET POSITION				
Net Investment in Capital Assets	10,757,529	7,259,893	18,017,422	16,634,429
Restricted for Emergencies	182,500	-	182,500	164,000
Restricted for Parks and Recreation	19,223	-	19,223	13,170
Restricted for Future Water Storage	-	675,000	675,000	675,000
Restricted for Water Line Loop	-	471,110	471,110	-
Restricted for Debt Service	-	16,809	16,809	16,809
Unrestricted, Unreserved	1,509,675	(125,832)	1,383,843	2,226,455
TOTAL NET POSITION	$ 12,468,927	$ 8,296,980	$ 20,765,907	$ 19,729,863

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 2,566,150	$ 227,633	$ 37,278	$ -
Public Safety	1,545,742	106,215	-	-
Public Works	2,095,808	166,051	291,183	-
Parks and Recreation	76,115	-	-	47,759
Interest on Long-Term Debt	22,890	-	-	-
Total Governmental Activities	6,306,705	499,899	328,461	47,759
Business-Type Activities				
Water	1,368,601	1,305,262	-	681,110
Interest on Long-Term Debt	16,629	-	-	-
Total Business-Type Activities	1,385,230	1,305,262	-	681,110
Total Primary Government	$ 7,691,935	$ 1,805,161	$ 328,461	$ 728,869

GENERAL REVENUES
Sales and Use Taxes
Property Taxes
Franchise Taxes
Auto Sales 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 2016	TOTALS 2015
$ (2,301,239)	$ -	$ (2,301,239)	$ (1,565,009)
(1,439,527)	-	(1,439,527)	(1,406,074)
(1,638,574)	-	(1,638,574)	(1,692,803)
(28,356)	-	(28,356)	(30,389)
(22,890)	-	(22,890)	(68,662)
(5,430,586)	-	(5,430,586)	(4,762,937)
-	617,771	617,771	(262,276)
-	(16,629)	(16,629)	(16,222)
-	601,142	601,142	(278,498)
(5,430,586)	601,142	(4,829,444)	(5,041,435)
3,884,798	176,553	4,061,351	3,636,802
844,132	-	844,132	770,446
358,620	-	358,620	348,003
315,765	-	315,765	299,065
223,636	-	223,636	234,806
11,154	5,834	16,988	6,480
19,522	25,474	44,996	26,058
(21,865)	21,865	-	-
5,635,762	229,726	5,865,488	5,321,660
205,176	830,868	1,036,044	280,225
12,263,751	7,466,112	19,729,863	19,449,638
$ 12,468,927	$ 8,296,980	$ 20,765,907	$ 19,729,863

TOWN OF MONUMENT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS 2016	TOTALS 2015
ASSETS					
Cash and Investments	$ -	$ 728,090	$ 349,355	$ 1,077,445	$ 1,940,370
Restricted Cash and Investments	19,383	-	19,223	38,606	40,550
Property Taxes Receivable	793,650	-	-	793,650	765,160
Other Taxes Receivable	1,144,921	-	-	1,144,921	1,072,135
Accounts Receivable	1,904	-	-	1,904	61,911
Grants Receivable	11,247	-	-	11,247	-
Due From Other Funds	165,095	258,140	-	423,235	504,841
Prepaid Expense	7,325	-	-	7,325	1,682
TOTAL ASSETS	2,143,525	986,230	368,578	3,498,333	4,386,649
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY					
LIABILITIES					
Accounts Payable	562,084	-	-	562,084	456,953
Accrued Salaries and Benefits	62,382	-	-	62,382	49,996
Developer Escrow	145,731	-	-	145,731	119,215
TOTAL LIABILITIES	770,197	-	-	770,197	626,164
DEFERRED INFLOW OF RESOURCES					
Deferred Property Tax Revenue	793,650	-	-	793,650	765,160
FUND EQUITY					
Fund Balance					
Nonspendable	7,325	-	-	7,325	1,682
Restricted for Emergencies	182,500	-	-	182,500	164,000
Restricted for Parks and Recreation	-	-	19,223	19,223	13,170
Committed	-	986,230	349,355	1,335,585	1,887,288
Unassigned	389,853	-	-	389,853	929,185
TOTAL FUND EQUITY	579,678	986,230	368,578	1,934,486	2,995,325
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	$ 2,143,525	$ 986,230	$ 368,578	$ 3,498,333	$ 4,386,649

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

TOWN OF MONUMENT, COLORADO

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2016

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

Total Fund Balances of Governmental Funds	$ 1,934,486
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	11,162,413
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 ($159,000), Capital Leases ($221,464), Accrued Compensated Absences ($244,203), and Accrued Interest Payable ($3,305).	(627,972)
Net position of governmental activities	$ 12,468,927

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, 2016

	GENERAL FUND	2A WATER ASD FUND	OTHER GOVERNMENTAL FUNDS	TOTALS 2016	TOTALS 2015
REVENUES					
Taxes	$ 4,770,084	$ 477,783	$ 157,125	$ 5,404,992	$ 4,952,231
Licenses and Permits	43,994	-	61,429	105,423	90,439
Charges for Services	122,210	-	166,051	288,261	242,534
Intergovernmental	550,420	-	47,759	598,179	359,788
Court	106,215	-	-	106,215	88,381
Interest	2,741	7,591	822	11,154	6,044
Miscellaneous	5,572	-	13,950	19,522	6,100
TOTAL REVENUES	5,601,236	485,374	447,136	6,533,746	5,745,517
EXPENDITURES					
General Government	2,424,835	-	621	2,425,456	1,679,551
Public Safety	1,501,786	-	-	1,501,786	1,453,402
Public Works	1,114,132	153,156	-	1,267,288	1,121,244
Parks and Recreation	-	-	41,745	41,745	39,528
Debt Service					
Principal	517,426	-	140,500	657,926	606,615
Interest	20,639	-	16,625	37,264	62,599
Capital Outlay	755,344	988,164	155,849	1,899,357	657,100
TOTAL EXPENDITURES	6,334,162	1,141,320	355,340	7,830,822	5,620,039
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(732,926)	(655,946)	91,796	(1,297,076)	125,478
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	193,515	-	-	193,515	45,196
Transfers In	42,722	-	18,500	61,222	97,053
Transfers Out	(18,500)	-	-	(18,500)	(97,053)
TOTAL OTHER FINANCING SOURCES (USES)	217,737	-	18,500	236,237	45,196
NET CHANGE IN FUND BALANCES	(515,189)	(655,946)	110,296	(1,060,839)	170,674
FUND BALANCES, Beginning	1,094,867	1,642,176	258,282	2,995,325	2,824,651
FUND BALANCES, Ending	$ 579,678	$ 986,230	$ 368,578	$ 1,934,486	$ 2,995,325

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, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Net Changes in Fund Balances - Total Governmental Funds	$ (1,060,839)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of $1,738,488 exceeded depreciation of (944,925) in the current period.	793,563
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.	(193,515)
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 $140,500, payments of capital leases of $515,431, and change in accrued compensated absences of ($4,338).	651,593
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.	14,374
Change in Net Position of Governmental Activities	$ 205,176

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
December 31, 2016

	2016	2015
ASSETS		
Current Assets		
Restricted Cash and Investments	$ 1,022,860	$ 920,839
Accounts Receivable	118,186	57,804
Prepaid Tap Fees - Water Line Loop	471,110	-
Total Current Assets	1,612,156	978,643
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	7,569,658	7,394,388
TOTAL ASSETS	9,181,814	8,373,031
LIABILITIES		
Current Liabilities		
Accounts Payable	75,197	53,725
Accrued Expenses	8,355	13,409
Due to Other Funds	423,235	504,841
Accrued Interest Payable	2,205	5,007
Accrued Compensated Absences, Current Portion	5,448	4,244
Leases Payable, Current Portion	76,398	8,253
Bonds and Loan Payable, Current Portion	51,280	195,255
Total Current Liabilities	642,118	784,734
Noncurrent Liabilities		
Deposits	11,600	25,559
Accrued Compensated Absences	49,029	38,192
Leases Payable	182,087	7,154
Bonds and Loan Payable	-	51,280
Total Noncurrent Liabilities	242,716	122,185
TOTAL LIABILITIES	884,834	906,919
NET POSITION		
Net Investment in Capital Assets	7,259,893	7,132,446
Restricted for Debt Service	16,809	16,809
Restricted for Future Water Storage	675,000	675,000
Restricted for Water Line Loop	471,110	-
Unreserved	(125,832)	(358,143)
TOTAL NET POSITION	$ 8,296,980	$ 7,466,112

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, 2016

	2016	2015
OPERATING REVENUES		
Charges for Services	$ 1,305,262	$ 844,733
Miscellaneous Income	25,474	19,958
TOTAL OPERATING REVENUES	1,330,736	864,691
OPERATING EXPENSES		
Operations and Maintenance	925,268	884,535
Administrative and General	82,191	141,870
Depreciation	361,142	333,074
TOTAL OPERATING EXPENSES	1,368,601	1,359,479
OPERATING LOSS	(37,865)	(494,788)
NON-OPERATING REVENUES (EXPENSES)		
Sales Taxes	176,553	103,899
Interest Income	5,834	436
Interest Expenses	(16,629)	(16,222)
TOTAL NON-OPERATING REVENUES (EXPENSES)	165,758	88,113
LOSS BEFORE CAPITAL CONTRIBUTIONS	127,893	(406,675)
CAPITAL CONTRIBUTIONS AND TRANSFERS OUT		
Capital Contributions		
Tap Fees	681,110	252,470
Other Funds	64,587	367,484
Transfers Out	(42,722)	-
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS OUT	702,975	619,954
NET INCOME	830,868	213,279
NET POSITION, Beginning	7,466,112	7,252,833
NET POSITION, Ending	$ 8,296,980	$ 7,466,112

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, 2016
Increase (Decrease) in Cash and Cash Equivalents

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$ 1,244,880	$ 840,203
Cash Received from Others	25,474	19,958
Cash Paid to Suppliers	(666,956)	(569,093)
Cash Paid to Employees	(393,650)	(377,766)
Net Cash Provided (Used) by Operating Activities	209,748	(86,698)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales Tax Received	176,553	103,899
Transfers to Other Funds	(42,722)	-
Net Cash Provided by Noncapital Financing Activities	133,831	103,899
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(471,825)	(31,525)
Lease Proceeds	321,484	-
Bond, Loan and Lease Principal Payments	(273,661)	(208,022)
Interest Payments	(19,431)	(23,773)
Capital Contributions		
Tap Fees	210,000	252,470
Deposits Received from Customers	(13,959)	12,200
Net Cash Provided (Used) by Capital and Related Financing Activities	(247,392)	1,350
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	5,834	436
Net Increase in Cash and Cash Equivalents	102,021	18,987
CASH AND CASH EQUIVALENTS, Beginning	920,839	901,852
CASH AND CASH EQUIVALENTS, Ending	$ 1,022,860	$ 920,839
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (37,865)	$ (494,788)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	361,142	333,074
Changes in Assets and Liabilities		
Accounts Receivable	(60,382)	(4,530)
Due to Other Funds	(81,606)	77,254
Accounts Payable	21,472	(2,439)
Accrued Expenses	(5,054)	-
Accrued Compensated Absences	12,041	4,731
Total Adjustments	247,613	408,090
Net Cash Provided (Used) by Operating Activities	$ 209,748	$ (86,698)
NON-CASH ACTIVITIES		
Prepaid Tap Fees - Water Line Loop	$ 471,110	$ -
Capital Contributions - Other Funds	64,587	367,484
Total Non-Cash Activities	$ 535,697	$ 367,484

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

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

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The Town also reports the following major proprietary fund:

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

Cash and Investments

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

Capital Assets

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

Long-Term Obligations

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

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

Net Position

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

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

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the Town has classified the fund balance in the Conservation Trust Fund as restricted because their use is restricted by State Statute.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town's committed resources are presented in the governmental fund balance sheet as of December 31, 2016.

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

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

Property Taxes

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Legal Compliance

For the year ended December 31, 2016, the Water Fund actual expenditures and transfers out exceeded budgeted expenditures and transfers out by $8,720. This may be a violation of State statute.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2016 follows:

Petty Cash	$ 2,062
Cash Held with Third Parties	129,545
Cash Deposits	479,670
Investments	1,527,634
Total	$ 2,138,911

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

Cash and Investments	$ 1,077,445
Restricted Cash and Investments	1,061,466
Total	$ 2,138,911

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, 2016 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.

At December 31, 2016, the Town had deposits with financial institutions with a carrying amount of $479,670. The bank balances with the financial institutions were $478,817, which were covered by the FDIC.

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.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

District measures and records its investments using fair market value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investment in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Colotrust is an external investment pool that records its investments at fair value. The investment in Colotrust is categorized as a Level 2 investment.

Credit Risk

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

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

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

The Town had invested $1,527,634 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.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Restricted Cash

Cash is restricted for the following purposes:

Operating Reserve – Water Fund	$ 220,889
Future Water Storage – Water Fund	675,000
Debt Service Reserve – Water Fund	16,809
Future Lease Purchase – Water Fund	110,162
Future Lease Purchase – General Fund	19,383
Parks and Recreation – Conservation Trust Fund	19,223
Total	$1,061,466

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, 2016, the Town's water fund restricted cash of $220,889 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.

Future Lease Purchase – The Town has restricted cash of $19,383 and $110,162 in the General and Water Funds, respectively, which are held by third party for the future acquisition of capital assets under capital leases.

Debt Service Reserve – 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, 2016.

Parks and Recreation – The Town has restricted cash of $19,223 in the Conservation Trust Fund for future parks and recreation expenditures.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2016, were comprised of the following:

Due from Other Funds	Due to Other Funds	Amount
General	Water	$ 165,095
2A Water ASD Fund	Water	258,140
Total		$ 423,235

At December 31, 2016, the General and 2A Water ASD Funds subsidized the negative unrestricted cash balance of the Water Fund.

Interfund transfers for the year ended December 31, 2016, consisted of the following:

Transfers In	Transfers Out	Amount
General	Water	$ 42,722
Community Development	General	18,500
Total		$ 61,222

During the year ended December 31, 2016, the Water Fund transferred to the General Fund an amount for administrative costs. The General Fund transferred to the Community Development an amount for capital projects.

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2016 is summarized below:

	Balances 12/31/2015	Additions	Deletions	Balances 12/31/2016
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 802,290	$ 964,832	$ -	$ 1,767,122
Capital Assets, being depreciated				
Buildings	3,873,197	-	-	3,873,197
Infrastructure	8,367,154	-	-	8,367,154
Water Rights	135,324	-	-	135,324
Furniture and Equipment	595,278	125,995	-	721,273
Vehicles and Street Equipment	1,631,346	72,176	-	1,703,522
Park Improvements	591,334	26,633	-	617,967
Street Improvements	4,024,427	548,852	-	4,573,279
Total Capital Assets, being depreciated	19,218,060	773,656	-	19,991,716
Less accumulated depreciation				
Buildings	(1,087,960)	(123,878)	-	(1,211,838)
Infrastructure	(4,368,249)	(278,905)	-	(4,647,154)
Water Rights	(18,338)	(2,706)	-	(21,044)
Furniture and Equipment	(386,372)	(66,475)	-	(452,847)
Vehicles and Street Equipment	(1,252,519)	(81,367)	-	(1,333,886)
Park Improvements	(283,713)	(33,270)	-	(316,983)
Street Improvements	(2,254,349)	(358,324)	-	(2,612,673)
Total accumulated depreciation	(9,651,500)	(944,925)	-	(10,596,425)
Total Capital Assets, being depreciated, net	9,566,560	(171,269)	-	9,395,291
Governmental Activities Capital Assets, net	$ 10,368,850	$ 793,563	$ -	$ 11,162,413

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

Governmental Activities	
General Government	$ 138,699
Public Safety	43,956
Public Works	727,900
Parks and Recreation	34,370
Total	$ 944,925

NOTE 5: CAPITAL ASSETS (Continued)

	Balances 12/31/2015	Additions	Deletions	Balances 12/31/2016
Business-type Activities:				
Capital Assets, not being depreciated				
Water Master Plan	$ 636,111	$ 28,860	$ -	$ 664,971
Construction in Progress	2,933,655	-	-	2,933,655
Total Capital Assets, not being depreciated	3,569,766	28,860	-	3,598,626
Capital Assets, being depreciated				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Building	118,897	-	-	118,897
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,199,322	-	-	1,199,322
Other Equipment	813,913	198,209	-	1,012,122
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	7,533,685	46,094	-	7,579,779
Transmission & Distribution	1,969,438	157,988	-	2,127,426
Vehicles	279,031	105,261	-	384,292
Total Capital Assets, being depreciated	12,938,922	507,552	-	13,446,474
Less accumulated depreciation				
Water Rights	(55,000)	(2,500)	-	(57,500)
Alluvium Wells	(387,231)	(3,684)	-	(390,915)
Public Works Building	(34,648)	(4,303)	-	(38,951)
Iron Treatment Plant	(263,865)	(9,595)	-	(273,460)
Water Treatment Plant	(386,971)	(39,977)	-	(426,948)
Other Equipment	(635,133)	(58,879)	-	(694,012)
Slabaugh Well	(89,957)	(3,828)	-	(93,785)
Wells/Treatment	(5,454,440)	(140,140)	-	(5,594,580)
Transmission & Distribution	(1,555,531)	(77,525)	-	(1,633,056)
Vehicles	(251,524)	(20,711)	-	(272,235)
Total accumulated depreciation	(9,114,300)	(361,142)	-	(9,475,442)
Total Capital Assets, being depreciated, net	3,824,622	146,410	-	3,971,032
Business-type Activities Capital Assets, net	$ 7,394,388	$ 175,270	$ -	$ 7,569,658

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, 2016.

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due Within One Year
Govenmental Activities					
1979 GO Water Bonds	$ 24,500	$ -	$ 5,500	$ 19,000	$ 5,500
1997 CWRPDA Loan	275,000	-	135,000	140,000	140,000
Capital Leases	543,380	193,515	515,431	221,464	141,992
Accrued Compensated Absences	239,865	207,362	203,024	244,203	24,420
	$ 1,082,745	$ 400,877	$ 858,955	$ 624,667	$ 311,912

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 2.12% to 9.16%. These leases mature from 2017-2019.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2016 are as follows:

Year Ended December 31	Principal	Interest	Total
2017	$ 145,500	$ 8,790	$ 154,290
2018	6,500	675	7,175
2019	7,000	350	7,350
	$ 159,000	$ 9,815	$ 168,815

NOTE 6: LONG-TERM DEBT (Continued)

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2016.

Year Ended December 31	
2017	$ 147,431
2018	66,671
2019	7,533
2020	7,534
Total Minimum Lease Payments	229,169
Less: Interest	(7,705)
Present Value of Future Minimum Lease Payments	$ 221,464

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2016.

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016	Due Within One Year
Business-type Activities					
1995 GO Water Refunding	$ 38,600	$ -	$ 38,600	$ -	$ -
2002 CWCB Loan	207,935	-	156,655	51,280	51,280
Capital Leases	15,407	321,484	78,406	258,485	76,398
Accrued Compensated Absences	42,436	24,577	12,536	54,477	5,448
	$ 304,378	**$ 346,061**	**$ 286,197**	**$ 364,242**	**$ 133,126**

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 was paid-in-full during 2016.

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.

NOTE 6: LONG-TERM DEBT (Continued)

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 2.12% to 2.36%. These leases mature from 2017-2020.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2016 are as follows:

Year Ended December 31	Principal	Interest	Total
2017	$ 51,280	$ 2,820	$ 54,100

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2016.

Year Ended December 31	
2017	$ 81,920
2018	74,854
2019	57,601
2020	57,602
Total Minimum Lease Payments	271,977
Less: Interest	(13,492)
Present Value of Future Minimum Lease Payments	$ 258,485

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, 2016 totaled $13,876,333.

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, 2016, the Town contributions were $121,602, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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.

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, 2016, the emergency reserve of $182,500 was recorded in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MONUMENT, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016 ORIGINAL BUDGET	2016 FINAL BUDGET	2016 ACTUAL	2016 VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES					
Taxes	$ 4,560,880	$ 4,546,380	$ 4,770,084	$ 223,704	$ 4,321,019
Licenses and Permits	61,000	61,000	43,994	(17,006)	34,477
Charges for Services	153,900	152,350	122,210	(30,140)	162,501
Intergovernmental	675,900	718,622	550,420	(168,202)	319,256
Court	150,500	130,750	106,215	(24,535)	88,381
Interest	3,500	3,500	2,741	(759)	3,471
Miscellaneous	1,500	-	5,572	5,572	-
TOTAL REVENUES	5,607,180	5,612,602	5,601,236	(11,366)	4,929,105
EXPENDITURES					
Current					
General Government	2,082,433	2,225,417	2,424,835	(199,418)	1,664,664
Public Safety	1,560,243	1,560,243	1,501,786	58,457	1,453,402
Public Works	1,199,867	1,199,867	1,114,132	85,735	976,908
Capital Outlay	923,959	923,959	755,344	168,615	233,754
Debt Service					
Principal	513,904	513,904	517,426	(3,522)	476,615
Interest	20,697	20,697	20,639	58	38,724
TOTAL EXPENDITURES	6,301,103	6,444,087	6,334,162	109,925	4,844,067
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(693,923)	(831,485)	(732,926)	98,559	85,038
OTHER FINANCING SOURCES (USES)					
Proceeds from Issuance of Debt	231,000	268,300	193,515	(74,785)	45,196
Transfers In	42,722	-	42,722	42,722	97,053
Transfers (Out)	(18,500)	(18,500)	(18,500)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	255,222	249,800	217,737	(32,063)	142,249
NET CHANGE IN FUND BALANCE	(438,701)	(581,685)	(515,189)	66,496	227,287
FUND BALANCE, Beginning	740,712	981,795	1,094,867	113,072	867,580
FUND BALANCE, Ending	$ 302,011	$ 400,110	$ 579,678	$ 179,568	$ 1,094,867

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

2A WATER ASD FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Sales Tax	$ 416,446	$ 477,783	$ 61,337	$ 477,360
Interest	2,200	7,591	5,391	2,242
TOTAL REVENUES	418,646	485,374	66,728	479,602
EXPENDITURES				
Public Works	188,000	153,156	34,844	144,336
Capital Outlay	1,670,756	988,164	682,592	345,833
TOTAL EXPENDITURES	1,858,756	1,141,320	717,436	490,169
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,440,110)	(655,946)	784,164	(10,567)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(97,053)
NET CHANGE IN FUND BALANCE	(1,440,110)	(655,946)	784,164	(107,620)
FUND BALANCE, Beginning	1,440,110	1,642,176	202,066	1,749,796
FUND BALANCE, Ending	$ -	$ 986,230	$ 986,230	$ 1,642,176

See the accompanying Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2016

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
ASSETS				
Cash and Investments	$ 47,928	$ -	$ 285,226	$ 16,201
Restricted Cash and Investments	-	19,223	-	-
TOTAL ASSETS	$ 47,928	$ 19,223	$ 285,226	$ 16,201
FUND EQUITY				
Restricted for Parks and Recreation	$ -	$ 19,223	$ -	$ -
Committed	47,928	-	285,226	16,201
TOTAL FUND EQUITY	$ 47,928	$ 19,223	$ 285,226	$ 16,201

See the accompanying Independent Auditor's Report.

DEBT SERVICE FUND	TOTALS 2016	TOTALS 2015
$ -	$ 349,355	$ 245,112
-	19,223	13,170
$ -	$ 368,578	$ 258,282
$ -	$ 19,223	$ 13,170
-	349,355	245,112
$ -	$ 368,578	$ 258,282

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2016

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
REVENUES				
Licenses and Permits	$ 61,429	$ -	$ -	$ -
Intergovernmental	-	47,759	-	-
Charges for Services	-	-	102,368	63,683
Sales Tax	-	-	-	-
Interest	48	39	482	253
Miscellaneous	13,950	-	-	-
TOTAL REVENUES	75,427	47,798	102,850	63,936
EXPENDITURES				
General Government	-	-	-	621
Parks and Recreation	-	41,745	-	-
Capital Outlay	75,219	-	20,630	60,000
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	75,219	41,745	20,630	60,621
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	208	6,053	82,220	3,315
OTHER FINANCING SOURCES (USES)				
Transfers In	18,500	-	-	-
CHANGE IN FUND BALANCES	18,708	6,053	82,220	3,315
FUND BALANCES, Beginning	29,220	13,170	203,006	12,886
FUND BALANCES, Ending	$ 47,928	$ 19,223	$ 285,226	$ 16,201

See the accompanying Independent Auditor's Report.

DEBT SERVICE FUND	TOTALS 2016	TOTALS 2015
$ -	$ 61,429	$ 55,962
-	47,759	40,532
-	166,051	80,033
157,125	157,125	153,852
-	822	331
-	13,950	6,100
157,125	447,136	336,810
-	621	14,887
-	41,745	39,528
-	155,849	77,513
140,500	140,500	130,000
16,625	16,625	23,875
157,125	355,340	285,803
-	91,796	51,007
-	18,500	-
-	110,296	51,007
-	258,282	207,275
$ -	$ 368,578	$ 258,282

TOWN OF MONUMENT, COLORADO

COMMUNITY DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Business Licenses	$ 52,000	$ 61,429	$ 9,429	$ 55,962
Interest	15	48	33	24
Miscellaneous	8,000	13,950	5,950	6,100
TOTAL REVENUES	60,015	75,427	15,412	62,086
EXPENDITURES				
Capital Outlay	78,515	75,219	3,296	52,981
TOTAL EXPENDITURES	78,515	75,219	3,296	52,981
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,500)	208	18,708	9,105
OTHER FINANCING SOURCES				
Transfers In	18,500	18,500	-	-
NET CHANGE IN FUND BALANCE	-	18,708	18,708	9,105
FUND BALANCE, Beginning	-	29,220	29,220	20,115
FUND BALANCE, Ending	$ -	$ 47,928	$ 47,928	$ 29,220

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Lottery Revenues	$ 45,000	$ 47,759	$ 2,759	$ 40,532
Interest	30	39	9	17
TOTAL REVENUES	45,030	47,798	2,768	40,549
EXPENDITURES				
Parks and Recreation	45,030	41,745	3,285	39,528
NET CHANGE IN FUND BALANCE	-	6,053	6,053	1,021
FUND BALANCE, Beginning	-	13,170	13,170	12,149
FUND BALANCE, Ending	$ -	$ 19,223	$ 19,223	$ 13,170

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

TRAFFIC IMPACT FEE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Traffic Impact Fees	$ 100,500	$ 102,368	$ 1,868	$ 52,318
Interest	500	482	(18)	282
TOTAL REVENUES	101,000	102,850	1,850	52,600
EXPENDITURES				
Capital Outlay	186,500	20,630	165,870	24,532
NET CHANGE IN FUND BALANCE	(85,500)	82,220	167,720	28,068
FUND BALANCE, Beginning	85,500	203,006	117,506	174,938
FUND BALANCE, Ending	$ -	$ 285,226	$ 285,226	$ 203,006

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

STORM DRAINAGE IMPACT FEE
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Storm Drainage Impact Fees	$ 77,000	$ 63,683	$ (13,317)	$ 27,715
Interest	25	253	228	8
TOTAL REVENUES	77,025	63,936	(13,089)	27,723
EXPENDITURES				
General Government	77,025	621	76,404	14,887
Capital Outlay	-	60,000	(60,000)	-
TOTAL EXPENDITURES	77,025	60,621	16,404	14,887
NET CHANGE IN FUND BALANCE	-	3,315	3,315	12,836
FUND BALANCE, Beginning	-	12,886	12,886	50
FUND BALANCE, Ending	$ -	$ 16,201	$ 16,201	$ 12,886

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Sales Tax	$ 157,125	$ 157,125	$ -	$ 153,852
TOTAL REVENUES	157,125	157,125	-	153,852
EXPENDITURES				
Debt Service				
Principal	140,500	140,500	-	130,000
Interest	16,625	16,625	-	23,875
TOTAL EXPENDITURES	157,125	157,125	-	153,875
NET CHANGE IN FUND BALANCE	-	-	-	(23)
FUND BALANCE, Beginning	-	-	-	23
FUND BALANCE, Ending	$ -	$ -	$ -	$ -

See the accompanying Independent Auditor's Report.

TOWN OF MONUMENT, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016
(With Comparative Actual Totals for the Year Ended December 31, 2015)

	2016			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES				
Charges for Services	$ 1,140,527	$ 1,305,262	$ 164,735	$ 844,733
Sales Tax	126,727	176,553	49,826	103,899
Tap Fees	135,000	681,110	546,110	252,470
Lease Proceeds	284,000	321,484	37,484	-
Investment Income	868	5,834	4,966	436
Other Revenues	21,740	25,474	3,734	19,958
TOTAL REVENUES	1,708,862	2,515,717	806,855	1,221,496
EXPENDITURES				
Operations and Maintenance	929,080	925,268	3,812	884,535
Administration and General	106,840	82,191	24,649	141,870
Capital Outlay	434,643	471,825	(37,182)	31,525
Debt Service				
Principal	276,555	273,661	2,894	208,022
Interest	13,736	16,629	(2,893)	16,222
Transfers Out	42,722	42,722	-	-
TOTAL EXPENDITURES	1,803,576	1,812,296	(8,720)	1,282,174
NET INCOME, Budget Basis	$ (94,714)	703,421	$ 798,135	(60,678)
GAAP BASIS ADJUSTMENTS				
Capital Contribution - Other Funds		64,587		367,484
Capital Outlay		471,825		31,525
Depreciation		(361,142)		(333,074)
Proceeds from Capital Leases		(321,484)		-
Principal Paid on Long-Term Debt		273,661		208,022
NET INCOME, GAAP Basis		830,868		213,279
NET POSITION, Beginning		7,466,112		7,252,833
NET POSITION, Ending		$ 8,296,980		$ 7,466,112

See the accompanying Independent Auditor's Report.

OTHER INFORMATION

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

Form Approved
OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT		City or County: **Town of Monument**
		YEAR ENDING : December 2016
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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	357,618
3. Other local imposts (from page 2)	275,376
4. Miscellaneous local receipts (from page 2)	63,729
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	696,723
B. Private Contributions	0
C. Receipts from State government (from page 2)	250,878
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	947,602

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	419,535
2. Maintenance:	(131,323)
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	42,166
c. Other	0
d. Total (a. through c.)	42,166
4. General administration & miscellaneous	89,156
5. Highway law enforcement and safety	528,067
6. Total (1 through 5)	947,602
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
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)	947,602

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	947,602	(947,602)	0	(0)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

See the accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

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 Penalities	63,729
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	166,050	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	1,535	f. Charges for Services	0
5. Specific Ownership &/ orOther	107,791	g. Other Misc. Receipts	0
6. Total (1. through 5.)	275,376	h. Other	0
c. Total (a. + b.)	275,376	i. Total (a. through h.)	63,729
	(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	221,959	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	28,919	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.)	28,919	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	250,878	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	419,535	419,535
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1)+(2)+(3)+(4)	0	419,535	419,535
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	419,535	419,535
			(Carry forward to page 1)

Notes and Comments:

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