Town of Monument, Colorado

Financial Statements
with Independent Auditors' Report

December 31, 2021
with Comparative Totals for December 2020

HINKLE & COMPANY PC
Strategic
Business Advisors

TOWN OF MONUMENT, COLORADO
Basic Financial Statements
December 31, 2021

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Monument
Monument, Colorado

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the business-type activities and each major fund of the Town of Monument, Colorado (the Town) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Town as of December 31, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
The Town's 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, and for 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Monument, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Monument, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents 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 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.

The Town of Monument, Colorado has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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 supplementary information and the local highway finance report 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 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 the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hinkle & Company, PC

Englewood, Colorado
June 24, 2022

Town of Monument, Colorado
2021 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, 2021. 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 2021 by $34,165,527 (net position).
- The Town of Monument's total net position increased by $5,001,711, which was higher than the increase in 2020 of $3,564,592.
- At December 31, 2021, the Town of Monument's governmental funds reported combined ending fund balances of $11,907,039 an increase of $2,993,032 in comparison with the prior year.

Overview of the Financial Statements

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, and 3) notes to the financial statements. This reports also contains other supplementary information in addition to the basic financial statements themselves.

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, liabilities, and deferred inflows of resources, with the difference 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of 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. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike governmental-wide financial statements, governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds and use the modified accrual basis of accounting.

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 Town's one proprietary fund is the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Propriety funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Town's water fund.

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.

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 and 2A water funds. These budget comparisons schedules can be found on pages 26 and 27 of this report. The combining and individual fund financial statements and schedules are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As previously stated, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Monument, assets exceeded liabilities by $34,165,527 at the end of 2021 and at the end of 2020 by $29,163,816, resulting in an increase in Total Net Position of $5,001,711.

	2021 Governmental Activities	2020 Governmental Activities	2021 Business-type Activities	2020 Business-type Activities	2021 Total	2020 Total
Current and other assets	$14,499,216	$11,338,178	$22,660,381	$24,861,915	$ 37,159,597	$ 36,200,093
Capital assets, net	9,088,803	9,804,895	13,698,858	9,023,788	22,787,661	18,828,683
Total assets	23,588,019	21,143,073	36,359,239	33,885,703	59,947,258	55,028,776
Long term liabilities	461,572	450,514	21,216,254	21,878,694	21,677,826	22,329,208
Other liabilities	1,512,008	1,512,391	1,366,591	929,206	2,878,599	2,441,597
Total liabilities	1,973,580	1,962,905	22,582,845	22,807,900	24,556,425	24,770,805
Deferred Inflow of Resources						
Deferred Property Tax Revenue	1,225,306	1,094,155	-	-	1,225,306	1,094,155
Net Position						
Net investment in capital assets	8,756,600	9,524,836	10,122,872	9,023,788	18,879,472	18,548,624
Restricted	216,640	224,445	677,619	677,293	894,259	901,738
Unrestricted	11,415,893	8,336,732	2,975,903	1,376,722	14,391,796	9,713,454
Total net position	$20,389,133	$18,086,013	$13,776,394	$11,077,803	$34,165,527	$29,163,816

The largest portion of the Town of Monument's net position, $18,879,472, reflects its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, etc.), less any related outstanding debt 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.

A small portion of the Town of Monument's net position, $894,259, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted balance is $14,391,796.

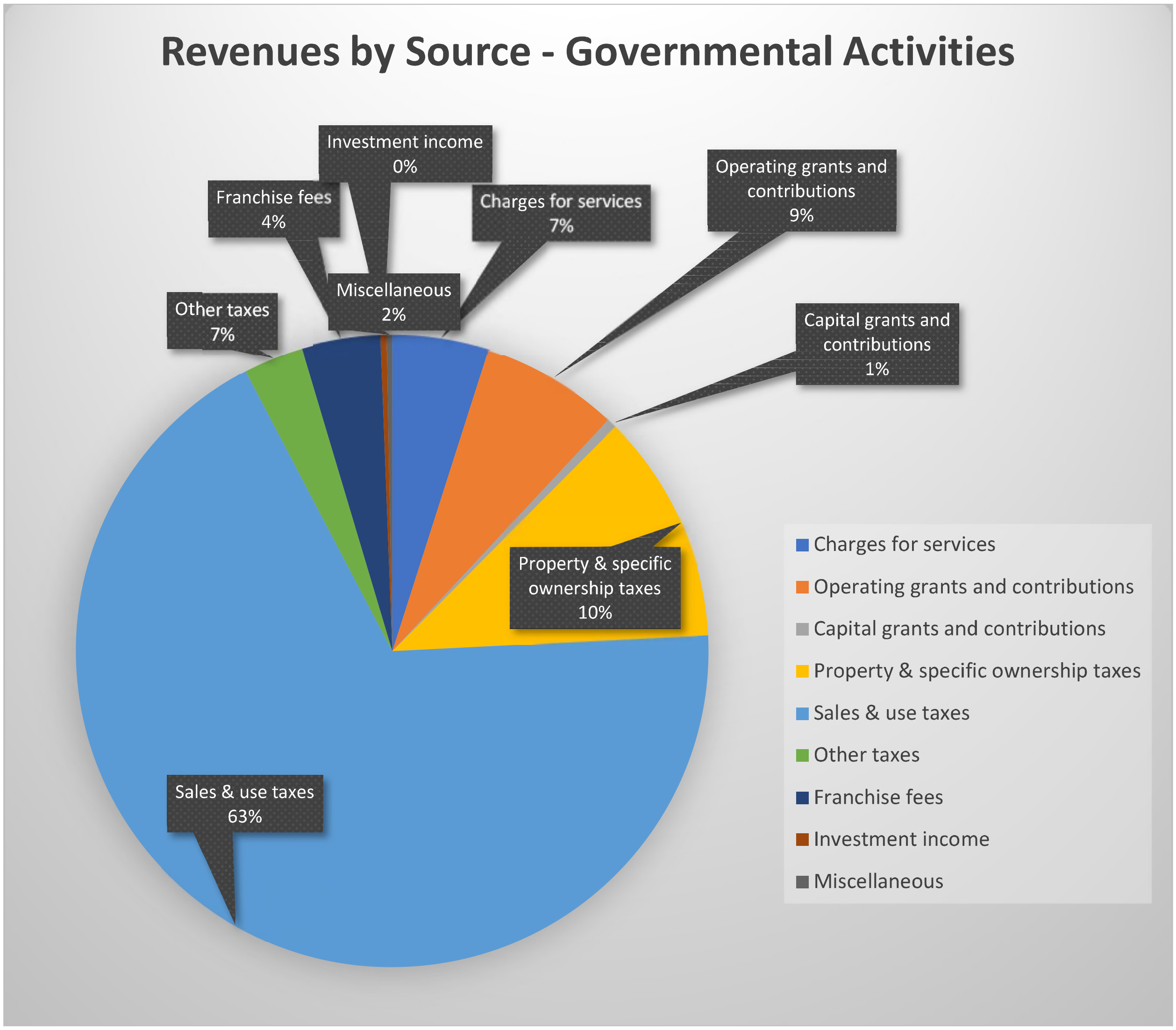
Changes in Net Position

The Town's net position increased $5,001,711 during 2021. Governmental Activities reported an $1,936,750 increase in revenue, with sales tax revenue and Other taxes being the largest contributors.

CHANGES IN NET POSITION

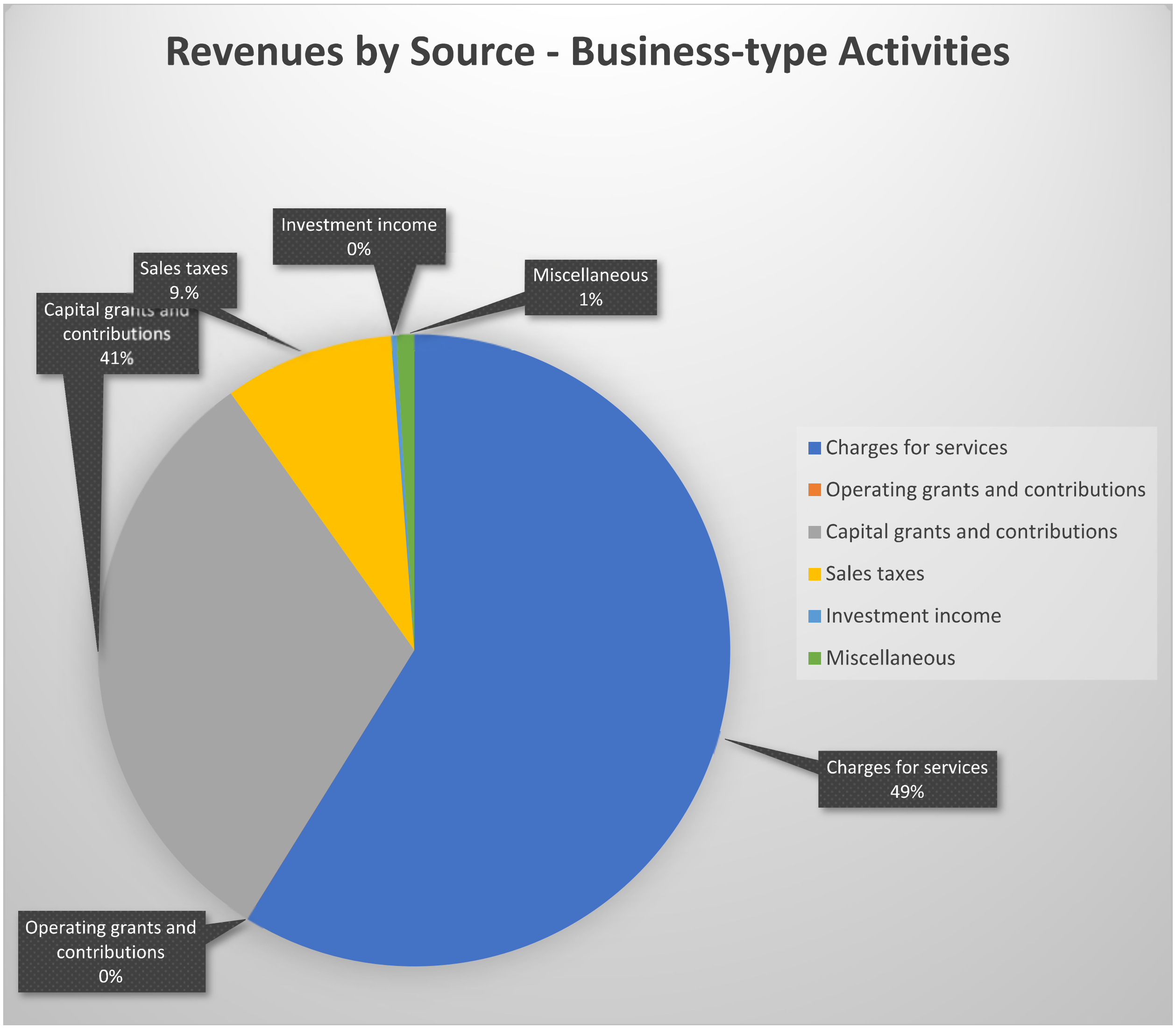
	2021 Governmental Activities	2020 Governmental Activities	2021 Business Type Activities	2020 Business Type Activities	2021 Total	2020 Total
Revenues:						
Program revenues:						
Charges for Services	$845,533	$495,971	2,565,904	2,000,571	$3,411,437	$2,496,542
Operating Grants & Contributions	1,105,642	705,574	-	201	1,105,642	705,775
Capital Grants & Contributions	63,946	50,205	2,139,960	1,063,580	2,203,906	1,113,785
General revenues:						
Property taxes	1,222,991	1,179,796	-	-	1,222,991	1,179,796
Sales taxes	7,895,195	6,842,794	455,438	294,959	8,350,633	7,137,753
Franchise taxes	447,731	404,450	-	-	447,731	404,450
Other Taxes	915,017	308,678	-	-	915,017	308,678
Investment income	5,601	30,296	12,031	9,369	17,632	39,665
Other Misc.	36,061	27,983	76,179	31,108	112,240	59,091
Transfers	38,665	593,885	(38,665)	(593,885)	-	-
Total revenues	12,576,382	10,639,632	5,210,847	2,805,903	17,787,229	13,445,535
Expenses:						
General government	2,754,021	2,722,218	-	-	2,754,021	2,722,218
Public safety	2,555,014	2,424,906	-	-	2,555,014	2,424,906
Public works & parks	3,016,453	2,469,449	-	-	3,016,453	2,469,449
Capital Outlay	1.940,117	24,594	-	-	1,940,117	24,594
Interest on long-term debt	7,657	10,584	640,824	87,564	648,481	98,148
Water	-	-	1,871,432	2,141,628	1,871,432	2,141,628
Total expenses	10,273,262	7,651,751	2,512,256	2,229,192	12,785,510	9,880,943
Change in net position	2,303,120	2,987,881	2,698,591	576,711	5,001,711	3,564,592
Net position, Beginning of year	18,086,013	15,098,132	11,077,803	10,501,092	29,163,816	25,599,224
Net Position, End of year	$20,389,133	$18,086,013	13,776,394	11,077,803	$34,165,527	$29,163,816

Governmental Activities



Sales and use taxes are the Town's largest governmental activities revenue source at 63%. Property taxes are the second largest revenue source at 10% of the Town's revenue for governmental activities. Operating grants and contributions comprise the third largest revenue source of the Town's governmental activities at 9%.

Business-type Activities



Charges for services account for 49% of the Town's revenue for business-type activities while capital grants and contributions accounted for 41%. Sales taxes account for 9% and the remaining interest income, grants & contributions and miscellaneous revenue accounts for 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.

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term in-flows, out-flows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $11,907,039, an increase of $2,993,032 in comparison with the prior year. Of this amount, 35.8% ($4,259,658) constitutes unrestricted, unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is categorized to indicate that it is not available for new spending because it is classified as one of the following: A) nonspendable for prepaids ($63,984), B) Restricted for Emergencies ($173,626), C) restricted for parks and recreation ($146,262), or D) committed ($7,263,509).

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was $4,259,658 while total fund balance amounted to $11,907,658

The fund balance of the Town's general fund increased by $2,993,032 during the current fiscal year. Key factors in this change are as follows:

~ Increase in sales tax collections over the prior year.
~ Reduction of expenses for projects that were delayed during the current fiscal year that will be expended in the next fiscal year.
~ Purposefully working to increase the Town's General Fund balance reserves.

The fund balance of the Town's 2A water fund increased by $134,074 during the current fiscal year. Key factors in this change are as follows:

~ Increase in sales tax collections over the prior year.
~ Capital Projects budgeted were pushed on to a future upcoming year.

Proprietary Funds. As of the end of the current fiscal year, the Town's water fund reported an ending net position of $13,776,394, an increase of $2,698,591 in comparison with the prior year. Of this amount, 21.6% ($2,975,903) constitutes unrestricted net position, which is available for spending. The remainder of net position is categorized to indicate that it is not available for new spending because it is classified as one of the following: A) net investment in capital assets ($10,122,872), or B) restricted for future water storage ($677,619).

As stated above, the net position of the water fund increased by $2,698,591 during the current fiscal year. Key factors in this change are as follows:

~ Increase in sales tax collections over the prior year.
~ Increase in tap fees over the prior year.
~ Reduction in expenses compared to budget in operations and maintenance.

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 final budget included a decrease in fund balance of $144,213 and the actual increase in fund balance was $2,411,271. Significant budgetary variances are as follows:

- ~ $1,689,952 additional tax revenue collected over budgeted.
- ~ Annual expenditures under budget by $308,046, mainly due to budget cutbacks and employee furloughs during COVID-19 with economy and revenue uncertainty.

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, 2021 totaled $22,787,661 (net of accumulated depreciation). Water fund capital assets represent 60% of this total.

Major capital asset events during the current fiscal year included the following:

- ~ Governmental activities expenditures including $9,000 in construction in progress, and $331,716 in street improvements for total capital outlay of $331,716.
- ~ Business-type activities including capital outlay of $38,920 in other equipment, $152,000 in equipment and vehicles for a total depreciable capital outlay of $190,920.

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

Long-term Debt. At the end of the current fiscal year, the Town had total long-term debt outstanding of $22,492,479. Of this amount, $603,982 was debt of governmental activities while $21,888,488 was debt of business-type activities.

The Town's long-term debt decreased by $755,205 during the current fiscal year.

Note 6 of the financial statements provide a detailed summary on the Town's long-term debt.

Economic Factors and Next Year's Budget

The Town considered these factors in preparing the Town's budget for the 2021 fiscal year:

- ~ The economic vitality of the Town
- ~ Inflationary effect on expenses
- ~ Legislative outlooks

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 Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information, may 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, 2021
With Comparative Totals for December 31, 2020

	Primary Government			
	Governmental Activities	Business-Type Activities	Total 2021	Total 2020
Assets				
Cash and Investments	$ 11,064,426	$ 21,744,210	$ 32,808,636	$ 32,328,706
Restricted Cash and Investments	43,077	677,619	720,696	713,178
Property Taxes Receivable	1,225,306	-	1,225,306	1,094,155
Sales and Other Receivable	2,100,082	-	2,100,082	1,754,586
Accounts Receivable	2,341	238,552	240,893	246,036
Prepaid Tap Fees - Water Line Loop	-	-	-	-
Prepaid Expenses	63,984	-	63,984	63,432
Capital Assets, *Not being depreciated*	1,961,744	8,917,003	10,878,747	5,937,712
Capital Assets, *Net of accumulated depreciation*	7,127,059	4,781,855	11,908,914	12,890,971
Total Assets	23,588,019	36,359,239	59,947,258	55,028,776
Liabilities				
Accounts Payable	678,649	561,345	1,239,994	931,969
Accrued Salaries and Benefits	308,235	40,998	349,233	135,062
Accrued Interest	2,727	78,914	81,641	114,915
Developer Escrow and Deposits	379,987	13,100	393,087	473,108
Noncurrent Liabilities				
Due Within One Year	142,410	672,234	814,644	786,543
Due in More Than One Year	461,572	21,216,254	21,677,826	22,329,208
Total Liabilities	1,973,580	22,582,845	24,556,425	24,770,805
Deferred Inflows of Resources				
Deferred Property Taxes	1,225,306	-	1,225,306	1,094,155
Net Position				
Net Investment in Capital Assets	8,756,600	10,122,872	18,879,472	18,548,624
Restricted for Emergencies	173,626	-	173,626	190,600
Restricted for Parks and Recreation	43,014	-	43,014	33,845
Restricted for Future Water Storage	-	677,619	677,619	677,293
Restricted for Water Line Loop	-	-	-	
Unrestricted, unreserved	11,415,893	2,975,903	14,391,796	9,713,454
Total Net Position	$ 20,389,133	$ 13,776,394	$ 34,165,527	$ 29,163,816

See Notes to the Financial Statements.

Town of Monument, Colorado
Statement of Activities
For the Year Ended December 31, 2021
With Comparative Totals for December 31, 2020

		Program Revenues			Net (Expense) Revenue and Change in Net Position			
					Primary Government			
			Operating	Capital			Total	
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	2021	2020
Primary Government								
Governmental Activities								
General Government	$ 2,754,021	$ 397,156	$ 1,101,738	$ -	$ (1,255,127)	$ -	$ (1,255,127)	$ (1,738,731)
Public Safety	2,555,014	32,048	3,904	-	(2,519,062)	-	(2,519,062)	(2,381,942)
Public Works	2,089,332	313,081	-	-	(1,776,251)	-	(1,776,251)	(1,539,089)
Parks and Recreation	927,121	103,248	-	63,946	(759,927)	-	(759,927)	(705,061)
Capital Outlay	1,940,117	-	-	-	(1,940,117)	-	(1,940,117)	(24,594)
Interest on Long-Term Debt	7,657	-	-	-	(7,657)	-	(7,657)	(10,584)
Total Governmental Activities	10,273,262	845,533	1,105,642	63,946	(8,258,141)	-	(8,258,141)	(6,400,001)
Business-Type Activities								
Water	1,871,432	2,565,904	-	2,139,960	-	2,834,432	2,834,432	922,724
Interest on Long-Term Debt	640,824	-	-	-	-	(640,824)	(640,824)	(87,564)
Total Business-Type Activities	2,512,256	2,565,904	-	2,139,960	-	2,193,608	2,193,608	835,160
Total Primary Government	$ 12,785,518	$ 3,411,437	$ 1,105,642	$ 2,203,906	$ (8,258,141)	$ 2,193,608	$ (6,064,533)	$ (5,564,841)
	General Revenues							
	Sales and Use Taxes				7,895,195	455,438	8,350,633	6,679,327
	Property Taxes				1,222,991	-	1,222,991	1,179,796
	Franchise Taxes				447,731	-	447,731	404,450
	Auto Sales Taxes				543,239	-	543,239	458,426
	Other Taxes				371,778	-	371,778	308,678
	Investment Income				5,601	12,031	17,632	39,665
	Miscellaneous				36,061	76,179	112,240	59,091
	Transfers				38,665	(38,665)	-	-
	Total General Revenues and Transfers				10,561,261	504,983	11,066,244	9,129,433
	Change in Net Position				2,303,120	2,698,591	5,001,711	3,564,592
	Net Position, *Beginning of year*				18,086,013	11,077,803	29,163,816	25,599,224
	Net Position, *End of year*				$ 20,389,133	$ 13,776,394	$ 34,165,527	$ 29,163,816

See Notes to the Financial Statements.

Town of Monument, Colorado
Balance Sheet
Governmental Funds
December 31, 2021
With Comparative Totals for December 31, 2020

	General	2A Water ASD Fund	Other Governmental Funds	Total 2021	Total 2020
Assets					
Cash and Investments	$ 3,656,406	$ 6,235,219	$ 1,172,801	$ 11,064,426	$ 8,317,785
Restricted Cash and Investments	-	-	43,077	43,077	35,885
Property Taxes Receivable	1,225,306	-	-	1,225,306	1,094,155
Other Taxes Receivable	2,100,082	-	-	2,100,082	1,754,586
Accounts Receivable	2,341	-	-	2,341	72,335
Prepaid Expenses	63,984	-	-	63,984	63,432
Total Assets	$ 7,048,119	$ 6,235,219	$ 1,215,878	$ 14,499,216	$ 11,338,178
Liabilities					
Accounts Payable	$ 640,971	$ 21,510	$ 16,168	$ 678,649	$ 748,575
Accrued Salaries and Benefits	304,587	-	3,648	308,235	117,533
Developer Escrow	379,987	-	-	379,987	463,908
Total Liabilities	1,325,545	21,510	19,816	1,366,871	1,330,016
Deferred Inflows of Resources					
Property Taxes	1,225,306	-	-	1,225,306	1,094,155
Fund Balance					
Nonspendable	63,984	-	-	63,984	63,432
Restricted for Emergencies	173,626	-	-	173,626	209,000
Restricted for Parks and Recreation	-	-	146,262	146,262	33,845
Committed	-	6,213,709	1,049,800	7,263,509	6,468,891
Unrestricted, Unassigned	4,259,658	-	-	4,259,658	2,138,839
Total Fund Balance	4,497,268	6,213,709	1,196,062	11,907,039	8,914,007
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 7,048,119	$ 6,235,219	$ 1,215,878	$ 14,499,216	$ 11,338,178

See Notes to the Financial Statements.

Town of Monument, Colorado
Reconciliation of Balance Sheet of the Governmental Funds to the Statement of Net Position
December 31, 2021

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

Total Fund Balance of Governmental Funds	$	11,907,039
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.		9,088,803
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Capital leases payable		(323,969)
Accrued interest payable		(2,727)
Accrued compensated absences		(280,013)
Total Net Position of Governmental Activities	$	20,389,133

Town of Monument, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	General	2A Water ASD Fund	Other Governmental Funds	Total 2021	Total 2020
Revenues					
Taxes	$ 7,164,039	$ 2,019,601	$ 925,516	$ 10,109,156	$ 8,427,039
Licenses and Permits	124,613	-	90,877	215,490	156,790
Charges for Services	235,275	-	324,748	560,023	279,250
Intergovernmental	1,163,554	-	411,880	1,575,434	1,081,424
Court	32,048	-	-	32,048	25,103
Investment Income	3,960	1,539	102	5,601	30,296
Contributions and donations	3,904	-	-	3,904	17,861
Miscellaneous	29,961	-	6,100	36,061	31,134
Total Revenues	8,757,354	2,021,140	1,759,223	12,537,717	10,048,897
Expenditures					
Current					
General Government	2,530,560	-	168,495	2,699,055	2,505,274
Public Safety	2,731,577	-	-	2,731,577	2,380,189
Public Works	980,346	62,345	349,278	1,391,969	938,442
Parks and Recreation	879,175	-	34,786	913,961	727,275
Capital Outlay	-	1,381,628	523,703	1,905,331	528,312
Debt Service					
Principal	199,038	-	-	199,038	148,748
Interest and Fiscal Charges	7,419	-	-	7,419	12,185
Total Expenditures	7,328,115	1,443,973	1,076,262	9,848,350	7,240,425
Excess Revenues Over (Under) Expenditures	1,429,239	577,167	682,961	2,689,367	2,808,472
Other Financing Sources (Uses)					
Proceeds from Issuance of Debt	265,000	-	-	265,000	-
Transfers In	501,758	-	110,000	611,758	680,901
Transfers Out	(110,000)	(443,093)	(20,000)	(573,093)	(87,016)
Other Financing Sources (Uses)	656,758	(443,093)	90,000	303,665	593,885
Net Change in Fund Balance	2,085,997	134,074	772,961	2,993,032	3,402,357
Fund Balance, *Beginning of year*	2,411,271	6,079,635	423,101	8,914,007	5,511,650
Fund Balance, *End of year*	$ 4,497,268	$ 6,213,709	$ 1,196,062	$ 11,907,039	$ 8,914,007

Town of Monument, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2021

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

Net Change in Fund Balance of Governmental Funds	$ 2,993,032
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlays	340,716
Depreciation Expense	(1,056,808)
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Change in Interest payable	(238)
Principal payments on capital leases	(65,962)
Change in accrued compensated absences	92,380
Change in Net Position of Governmental Activities	$ 2,303,120

Town of Monument, Colorado

Statement of Net Position
Proprietary Fund
December 31, 2021
With Comparative Totals for December 31, 2020

Assets	2021	2020
Current Assets		
Cash and Investments	$ 21,744,210	$ 24,010,921
Restricted Cash and investments	677,619	677,293
Accounts Receivable	238,552	173,701
Prepaid Tap Fees - Water Line Loop	-	-
Total Current Assets	22,660,381	24,861,915
Noncurrent Assets		
Capital Assets*, not being depreciated*	8,917,003	3,984,968
Capital Assets*, net of accumulated depreciation*	4,781,855	5,038,820
Total Noncurrent Assets	13,698,858	9,023,788
Total Assets	36,359,239	33,885,703
Liabilities		
Current Liabilities		
Accounts Payable	561,345	183,394
Accrued Liabilities	40,998	17,529
Accrued Compensated Absences, Current portion	6,470	6,101
Accrued Interest Payable	78,914	112,426
Certificates of Participation, Current Portion	665,764	600,556
Total Current Liabilities	1,353,491	920,006
Noncurrent Liabilities		
Deposits	13,100	9,200
Accrued Compensated Absences	58,233	54,909
Leases payable	21,158,021	21,823,785
Total Noncurrent Liabilities	21,229,354	21,887,894
Total Liabilities	22,582,845	22,807,900
Net Position		
Net Investment in Capital Assets	10,122,872	8,600,491
Restricted for Future Water Storage	677,619	677,293
Restricted for Water Line Loop	-	
Unrestricted	2,975,903	1,800,019
Total Net Position	$ 13,776,394	$ 11,077,803

See Notes to the Financial Statements.

Town of Monument, Colorado

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021	2020
Operating Revenues		
Charges for Services	$ 2,565,904	$ 2,000,571
Miscellaneous	70,615	31,108
Total Operating Revenues	2,636,519	2,031,679
Operating Expenses		
Operations and Maintenance	1,310,501	1,145,726
Administrative and General	113,046	111,224
Depreciation	447,885	435,058
Total Operating Expenses	1,871,432	1,692,008
Net Operating Income	765,087	339,671
Non-Operating Revenues (Expenses)		
Sales taxes	455,438	294,959
Grant Revenue	-	201
Interest Income	12,031	9,369
Interest Expense	(640,824)	(87,564)
Gain on Sale of Assets	5,564	-
Bond Issuance Costs	-	(449,620)
Net Income (Loss) Before Contributed Capital	597,296	107,016
Contributed Capital and Transfers		
Tap Fees	2,139,960	1,063,580
Transfers In	443,093	-
Transfers Out	(481,758)	(593,885)
Total Capital Contributions and Transfers	2,101,295	469,695
Change in Net Position	2,698,591	576,711
Net Position, *Beginning of year*	11,077,803	10,501,092
Net Position, *End of year*	$ 13,776,394	$ 11,077,803

Town of Monument, Colorado
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2021
With Comparative Totals for December 31, 2020

	2021	2020
Cash Flows From Operating Activities		
Cash Received from Customers	$ 2,501,053	$ 1,967,675
Cash Received from Others	70,615	31,108
Cash Paid to Suppliers	(382,713)	(65,646)
Cash Paid to Employees	(635,721)	(591,626)
Net Cash Provided by Operating Activities	1,553,234	1,341,511
Cash Flows From Non-Capital Financing Activities		
Sales Tax Received	455,438	294,959
Grants Received	-	201
Transfer from Other Funds	443,093	-
Transfer to Other Funds	(481,758)	(593,885)
Net Cash Provided by Noncapital Financing Activities	416,773	(298,725)
Cash Flows From Capital and Related Financing Activities		
Tap fees received	2,139,960	1,063,580
Acquisition and Construction of Capital Assets	(5,122,955)	(1,087,368)
Deposit Received from Customers	3,900	2,400
Proceeds from Sale of Assets	5,564	-
Debt Principal Payments	(600,556)	547,539
Debt Interest Payments	(674,336)	24,028
Issuance of Certificates of Participation	-	21,374,165
Net Cash Used by Capital and Related Financing Activities	(4,248,423)	21,924,344
Cash Flows From Investing Activities		
Interest received	12,031	9,369
Net Cash Used by Capital and Related Financing Activities	12,031	9,369
Net Change in Cash and Cash Equivalents	(2,266,385)	22,976,499
Cash and Cash Equivalents, *Beginning of year*	24,688,214	1,711,715
Cash and Cash Equivalents, *End of year*	$ 22,421,829	$ 24,688,214
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:		
Net Operating Income	$ 765,087	$ 339,671
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities		
Depreciation Expense	447,885	435,058
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	(64,851)	(32,896)
Prepaid Expenses	-	471,110
Accounts Payable	377,951	124,914
Accrued Expenses	23,469	3,771
Accrued Compensated Absences	3,693	(117)
Net Cash Provided by Operating Activities	$ 1,553,234	$ 1,341,511

See Notes to 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. The 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 the 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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 at a maximum amount ranging from 96 hours to 360 hours, based on length of service at their current rate of pay. Unused sick time will be compensated at a maximum of 120 hours of their current rate of pay.

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences *(Continued)*

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification *(Continued)*

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, 2021.

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.

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 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Town has evaluated subsequent events through June 24, 2022, the date the financial statements were available to be issued.

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.

Note 3: Cash and Investments

A summary of deposits and investments as of December 31, 2021 follows:

Petty Cash	$ 1,350
Cash Deposits	7,241,900
Investments	26,286,082
Total	$ 33,529,332

Note 3: Cash and Investments (Continued)

At December 31, 2021, cash and investments consisted of the following:

Cash and Investments	$	32,808,636
Restricted Cash and Investments		720,696
Total	$	33,529,332

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. 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, 2021, the Town had deposits with financial institutions with a carrying amount of $7,241,901. The bank balances with the financial institutions totaling $7,859,429 of which $250,000 were covered by the FDIC and $7,609,429 were collateralized with securities held by the financial institution's agent but not in the Town's name.

Investments

The Town does not have a formal investment policy; however, the Town follows state statutes regarding investments. The Town generally limits its concentration risk of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration of risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States & certain U.S. government agency securities
- Certain international 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

Note 3: Cash and Investments (Continued)

Investments *(Continued)*

At December 31, 2020, the Town had the following investments:

	Maturity	2020
Colorado Liquid Government	Weighted Average	
Asset Trust (ColoTrust)	under 60 days	$ 7,717,756
Asset Trust (Colo Trust Plus)	15 Years	18,247,799
Certificates of Deposits	One year or less	320,527
		$ 26,286,082

The Town invested in the Colorado Local Government Liquid Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, ColoTrust PRIME and ColoTrust PLUS+.

Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust PLUS+ may also invest in certain obligations of U.S. government agencies, highest rates commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. ColoTrust is rated AAAm by Standard & Poor's. ColoTrust records its investments at fair value and the Town records its investment in ColoTrust using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. The Town does not have a policy for managing credit risk or interest rate risk.

Restricted Cash

Cash is restricted for the following purposes:	
Future Water Storage – Water Fund	$ 677,619
Parks and Recreation – Conservation Trust Fund	43,077
Total	$ 720,696

Future Water Storage - The Town has restricted $677,619 of the Water Fund's cash balance for future water storage in relation to an intergovernmental agreement. The Town also restricted net position for future water storage in relation to this agreement.

Parks and Recreation - The Town has restricted cash of $43,077 in the Conservation Trust Fund for future parks and recreation expenditures.

Note 4: Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Water	$ 481,758
General Fund	Conservation Trust Fund	20,000
Community Development Fund	General Fund	110,000
Total		$ 611,758

During the year ended December 31, 2021, the Water Fund transferred amounts to the General Fund for administrative costs and fees.

Note 5: Capital Assets

Capital assets activity for the year ended December 31, 2021 is summarized below:

Governmental Activities	Balance 12/31/20	Additions	Deletions	Balance 12/31/21
Capital Assets, *Not Being Depreciated*				
Land	$ 1,767,122	$ -	$ -	$ 1,767,122
Construction in Progress	185,622	9,000	-	194,622
Total Capital Assets, *Not Being Depreciated*	1,952,744	9,000	-	1,961,744
Capital Assets, *Being Depreciated*				
Buildings	3,945,216	-	-	3,945,216
Infrastructure	8,367,154	-	-	8,367,154
Water Rights	135,324	-	-	135,324
Furniture and Equipment	689,443	-	(18,310)	671,133
Vehicles and Street Equipment	1,661,389	331,716	(113,563)	1,879,542
Park Improvements	666,382	-	-	666,382
Street Improvements	6,244,409	-	-	6,244,409
Total Capital Assets, *Being Depreciated*	$ 21,709,317	$ 331,716	$ (131,873)	$ 21,909,160
Less Accumulated Depreciation				
Buildings	$ (1,722,123)	$ (128,347)	$ -	$ (1,850,470)
Infrastructure	(5,757,496)	(276,265)	-	(6,033,761)
Water Rights	(31,870)	(2,706)	-	(34,576)
Furniture and Equipment	(519,984)	(50,954)	18,310	(552,628)
Vehicles and Street Equipment	(1,181,771)	(153,007)	113,563	(1,221,215)
Park Improvements	(463,141)	(34,875)	-	(498,016)
Street Improvements	(4,180,781)	(410,654)	-	(4,591,435)
Total Accumulated Depreciation	(13,857,166)	(1,056,808)	131,873	(14,782,101)
Total Capital Assets, *Being Depreciated, net*	7,852,151	(725,092)	-	7,127,059
Governmental Activities Capital Assets, *net*	$ 9,804,895	$ (716,092)	$ -	$ 9,088,803

Note 5: Capital Assets (Continued)

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

Governmental Activities	
General Government	$ 156,346
Public Safety	70,285
Public Works	782,231
Parks and Recreation	47,946
Total	$ 1,056,808

Capital assets Business-Type activity for the year ended December 31, 2021 is summarized below:

Business-Type Activities	**Balance 12/31/20**	**Additions**	**Deletions**	**Balance 12/31/21**
Capital Assets, *Not Being Depreciated*				
Water Master Plan	$ 664,971	$ -	$ -	$ 664,971
Construction in Progress	361,640	4,970,955	(38,920)	5,293,675
Monument Dam	2,958,357	-	-	2,958,357
Total Capital Assets, *Not Being Depreciated*	3,984,968	4,970,955	(38,920)	8,917,003
Capital Assets, *Being Depreciated*				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Building	126,382	-	-	126,382
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,199,322	-	-	1,199,322
Other Equipment	1,355,357	38,920	-	1,394,277
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	9,209,823	-	-	9,209,823
Transmission & Distribution	2,731,482	-	-	2,731,482
Equipment and Vehicles	377,384	152,000	(70,622)	458,762
Total Capital Assets, *Being Depreciated*	16,024,386	190,920	(70,622)	16,144,684
Total Capital Assets	20,009,354	5,161,875	(109,542)	25,061,687
Less: Accumulated depreciation				
Water Rights	(67,500)	(2,500)	-	(70,000)
Alluvium Wells	(405,651)	(2,456)	-	(408,107)
Public Works Building	(58,439)	(5,052)	-	(63,491)
Iron Treatment Plant	(287,854)	-	-	(287,854)
Water Treatment Plant	(586,857)	(39,977)	-	(626,834)
Other Equipment	(955,722)	(82,255)	-	(1,037,977)
Slabaugh Well	(109,096)	(3,828)	-	(112,924)
Wells/Treatment	(6,311,370)	(195,702)	-	(6,507,072)
Transmission & Distribution	(1,903,462)	(81,158)	-	(1,984,620)
Equipment and Vehicles	(299,615)	(34,957)	70,622	(263,950)
	(10,985,566)	(447,885)	70,622	(11,362,829)
Business-Type Activities Capital Assets, *net*	$ 9,023,788	$ 4,713,990	$ (38,920)	$ 13,698,858

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, 2021.

Governmental Activities	Balance 12/31/20	Additions	Deletions	Balance 12/31/21	Due Within One Year
Capital leases	$ 258,007	$ -	$ (65,962)	$ 323,969	$ 114,409
Compensated Absences	372,393	334,277	(426,657)	280,013	28,001
Total	$ 630,400	$ 334,277	$ (492,619)	$ 603,982	$ 142,410

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

Capital Leases

The Town has entered into several capital lease agreements to purchase vehicles and equipment which will be paid from revenues of the General Fund. These leases require interest to be paid ranging from 2.36% to 3.54%. These leases mature from 2020 - 2024.

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2020:

Year Ended December 31,	Total
2021	$ 150,066
2022	67,595
2023	34,812
2024	17,406
Total Future Minimum Lease Payments	269,879
Less: Interest	54,090
Present Value of Future Minimum Lease Payments	$ 323,969

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021.

Business-Type Activities	Balance 12/31/20	Additions	Deletions	Balance 12/31/21	Due Within One Year
Capital leases	$ -	$ -	$ -	$ -	$ -
Certificates of Participation	19,840,000	-	(435,000)	19,405,000	495,000
Premium	2,584,341	-	(165,556)	2,418,785	170,764
Compensated Absences	61,010	47,618	(43,925)	64,703	6,470
Total	$ 22,485,351	$ 47,618	$ (644,481)	$ 21,888,488	$ 672,234

Note 6: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

In November 2020, the Town entered into an annually-renewable lease purchase agreement with BOKF NA for the purpose of financing the acquisition, construction and installation of water improvements. Certificates of Participation were sold to investors, with the net proceeds of $19,840,000. While the lease does not constitute an indebtedness of the Town for state law purposes because it is subject to annual appropriation, it is treated as a capital lease for financial reporting purposes pursuant to generally accepted accounting principles applicable to governmental units. Payments of the principal component are due annually on December 1, through 2045. The interest component accrues at 4.0% and is payable semiannually on June 1st and December 1st.

The following schedule represents the Town's debt service requirements to maturity for the outstanding participation debt at December 31, 2021.

Year Ended December 31,	Principle	Interest	Total
2022	$ 495,000	776,200	$ 1,271,200
2023	515,000	756,400	1,271,400
2024	535,000	735,800	1,270,800
2025	560,000	714,400	1,274,400
2026	580,000	692,000	1,272,000
2027 - 2031	3,275,000	3,092,000	6,367,000
2032 - 2036	3,980,000	2,383,000	6,363,000
2037 - 2041	4,845,000	1,520,400	6,365,400
2042 - 2046	4,620,000	471,000	5,091,000
	$ 19,405,000	$ 11,141,200	$ 30,546,200

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, 2021, the Town contributions were $132,825 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

Litigation

The Town is not involved in any pending and threatened litigation as of December 31, 2021.

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 through 2019, notwithstanding the provisions of the Amendment. No such election took place during 2020 to continue this provision, but revenues for 2020 remained in compliance with TABOR limitations.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of $173,626 was recorded in the General Fund.

Required Supplementary Information

Town of Monument, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2021
With Comparative Actual Totals for the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues					
Taxes	$ 5,474,087	$ 5,474,087	$ 7,164,039	$ 1,689,952	$ 5,946,786
Licenses and Permits	54,160	54,160	124,613	70,453	70,323
Charges for Services	130,800	130,800	235,275	104,475	170,335
Intergovernmental	477,003	1,494,592	1,163,554	(331,038)	442,573
Court	35,000	35,000	32,048	(2,952)	74,015
Interest	18,309	18,309	3,960	(14,349)	22,890
Contributions and Donations	-	-	3,904	3,904	12,958
Miscellaneous	-	-	29,961	29,961	27,144
Total Revenues	6,189,359	7,206,948	8,757,354	1,550,406	6,767,024
Expenditures					
Current					
General Government	2,500,680	2,580,380	2,530,560	49,820	2,629,332
Public Safety	2,553,642	2,622,851	2,731,577	(108,726)	2,331,642
Public Works	1,821,864	1,821,864	1,859,521	(37,657)	1,521,046
Capital Outlay	403,000	403,000	-	403,000	481,457
Debt Service					
Principal	199,647	199,647	199,038	609	101,415
Interest	8,419	8,419	7,419	1,000	9,329
Total Expenditures	7,487,252	7,636,161	7,328,115	308,046	7,074,221
Excess Revenues Over (Under) Expenditures	(1,297,893)	(429,213)	1,429,239	1,858,452	(307,197)
Other Financing Sources (Uses)					
Proceeds from Issuance of Debt	265,000	265,000	265,000	-	345,794
Transfers In	20,000	20,000	501,758	481,758	284,250
Transfers Out	-	-	(110,000)	(110,000)	(67,016)
Net Change in Fund Balance	(1,012,893)	(144,213)	2,085,997	2,230,210	255,831
Fund Balance, *Beginning of year*	2,411,271	2,411,271	2,411,271	-	705,552
Fund Balance, *End of year*	$ 1,398,378	$ 2,267,058	$ 4,497,268	$ 2,230,210	$ 961,383

Town of Monument, Colorado
Budgetary Comparison Schedule
2A Water ASD Fund
For the Year Ended December 31, 2021
With Comparative Actual Totals for the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues					
Sales Taxes	$ 1,376,300	$ 1,376,300	$ 2,019,601	$ 643,301	$ 1,571,744
Interest	35,000	35,000	1,539	(33,461)	52,769
Total Revenues	1,411,300	1,411,300	2,021,140	609,840	1,624,513
Expenditures					
Public Works	211,000	211,000	62,345	148,655	171,650
Capital Outlay	-	1,400,000	1,381,628	18,372	-
Total Expenditures	211,000	1,611,000	1,443,973	167,027	171,650
Net Change in Fund Balance	1,200,300	(199,700)	577,167	776,867	1,452,863
Transfers Out	(1,274,893)	(1,274,898)	(443,093)	831,805	-
Fund Balance, *Beginning of year*	6,079,635	6,079,635	6,079,635	-	2,897,618
Fund Balance, *End of year*	$ 6,005,042	$ 4,605,037	$ 6,213,709	$ 1,608,672	$ 4,350,481

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management 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 Board.
- All appropriations lapse at year end.

Supplementary Information

Town of Monument, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Special Revenue Funds							
	Capital Improvement Fund	Community Development Fund	Conservation Trust Fund	Traffic Impact Fee Fund	Storm Drainage Impact Fee Fund	Park Fee Fund	Total 2021	Total 2020
Assets								
Cash and Investments	$ 625,824	$ 97,302	$ -	$ 176,956	$ 169,471	$ 103,248	$ 1,172,801	$ 401,802
Restricted Cash and Investments	-	-	43,077	-	-	-	43,077	35,885
Total Assets	$ 625,824	$ 97,302	$ 43,077	$ 176,956	$ 169,471	$ 103,248	$ 1,215,878	$ 437,687
Liabilities								
Accounts Payable	-	17,796	63	1,853	104	-	19,816	14,586
Total Liabilities	-	17,796	63	1,853	104	-	19,816	14,586
Fund Balance								
Restricted for Parks and Recreation	-	-	43,014	-	-	103,248	146,262	33,845
Committed	625,824	79,506	-	175,103	169,367	-	1,049,800	389,256
Total Fund Balance	625,824	79,506	43,014	175,103	169,367	103,248	1,196,062	423,101
Total Liabilities and Fund Balance	$ 625,824	$ 97,302	$ 43,077	$ 176,956	$ 169,471	$ 103,248	$ 1,215,878	$ 437,687

Town of Monument, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Funds							
	Capital Improvement Fund	Community Development Fund	Conservation Trust Fund	Traffic Impact Fee Fund	Storm Drainage Impact Fee Fund	Park Fee Fund	Total 44,561	44,196
Revenues								
Taxes	$ 925,516	$ -	$ -	$ -	$ -	$ -	$ 925,516	$ 468,646
Licenses and Permits	-	90,877	-	-	-	-	90,877	76,625
Intergovernmental	347,934	-	63,946	-	-	-	411,880	332,757
Charges for Services	-	-	-	87,938	133,562	103,248	324,748	91,742
Investment Income	23	14	9	44	12	-	102	838
Miscellaneous	-	6,100	-	-	-	-	6,100	4,000
				-	-	-		
Total Revenues	1,273,473	96,991	63,955	87,982	133,574	103,248	1,759,223	974,608
Expenditures								
General Government	-	168,495	-	-	-	-	168,495	128,907
Parks and Recreation	-	-	34,786	-	-	-	34,786	24,022
Public Works	349,278	-	-	-	-	-	349,278	50,052
Capital Outlay	471,045	-	-	42,015	10,643	-	523,703	528,312
Total Expenditures	820,323	168,495	34,786	42,015	10,643	-	1,076,262	731,293
Excess Revenues Over (Under) Expenditures	453,150	(71,504)	29,169	45,967	122,931	103,248	682,961	243,315
Other Financing Sources (Uses)								
Transfers In	-	110,000	-	-	-	-	110,000	67,016
Transfers Out	-	-	(20,000)	-	-	-	(20,000)	(20,000)
Net Change in Fund Balance	453,150	38,496	9,169	45,967	122,931	103,248	772,961	290,331
Fund Balance, *Beginning of year*	172,674	41,010	33,845	129,136	46,436	-	423,101	132,770
Fund Balance, *End of year*	$ 625,824	$ 79,506	$ 43,014	$ 175,103	$ 169,367	$ 103,248	$ 1,196,062	$ 423,101

Town of Monument, Colorado
Budgetary Comparison Schedule
Community Development Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues					
Intergovernmental	$ -	$ -	$ -	$ -	$ -
Business Licenses	71,000	71,000	90,877	19,877	73,695
Interest	400	400	14	(386)	492
Miscellaneous	6,000	6,000	6,100	100	7,000
Total Revenues	77,400	77,400	96,991	19,591	81,187
Expenditures					
General Government	206,864	206,864	168,495	38,369	80,932
Total Expenditures	206,864	206,864	168,495	38,369	80,932
Other Financing Sources (Uses)					
Transfers In	110,000	110,000	110,000	-	-
Net Change in Fund Balance	(19,464)	(19,464)	38,496	57,960	255
Fund Balance, *Beginning of year*	41,010	41,010	41,010	-	15,531
Fund Balance, *End of year*	$ 21,546	$ 21,546	$ 79,506	$ 57,960	$ 15,786

Town of Monument, Colorado

Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			
	Original and Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues				
Lottery Revenues	$ 48,000	$ 63,946	$ 15,946	$ 50,607
Interest	100	9	(91)	208
Total Revenues	48,100	63,955	15,855	50,815
Expenditures				
Park and Recreation	35,000	34,786	214	31,350
Total Expenditures	35,000	34,786	214	31,350
Other Financing Source (Uses)				
Transfers Out	(20,000)	(20,000)	-	-
Net Change in Fund Balance	(6,900)	9,169	16,069	19,465
Fund Balance, *Beginning of year*	33,845	33,845	-	8,130
Fund Balance, *End of year*	$ 26,945	$ 43,014	$ 16,069	$ 27,595

Town of Monument, Colorado
Budgetary Comparison Schedule
Traffic Impact Fee Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			
	Original and Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues				
Traffic Impact Fees	$ 49,490	$ 87,938	$ 38,448	$ 39,119
Interest	1,200	44	(1,156)	1,644
Total Revenues	50,690	87,982	37,292	40,763
Expenditures				
Capital Outlay	73,000	42,015	30,985	34,909
Total Expenditures	73,000	42,015	30,985	34,909
Net Change in Fund Balance	(22,310)	45,967	68,277	5,854
Fund Balance, *Beginning of year*	129,137	129,136	(1)	69,723
Fund Balance, *End of year*	$ 106,827	$ 175,103	$ 68,276	$ 75,577

Town of Monument, Colorado
Budgetary Comparison Schedule
Storm Drainage Impact Fee
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues					
Storm Drainage Impact Fees	$ 60,000	$ 60,000	$ 133,562	$ 73,562	$ 40,659
Interest	250	250	12	(238)	286
Total Revenues	60,250	60,250	133,574	73,324	40,945
Expenditures					
Capital Outlay	60,000	60,000	10,643	49,357	39,828
Total Expenditures	60,000	60,000	10,643	49,357	39,828
Net Change in Fund Balance	250	250	122,931	122,681	1,117
Fund Balance, *Beginning of year*	46,736	46,436	46,436	-	12,695
Fund Balance, *End of year*	$ 46,986	$ 46,686	$ 169,367	$ 122,681	$ 13,812

Town of Monument, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended December 31, 2021

	2021			
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes	$ 412,917	$ 412,917	$ 925,516	$ 512,599
Intergovernmental	1,076,769	1,276,769	347,934	(928,835)
Interest	2,000	2,000	23	(1,977)
Total Revenues	1,491,686	1,691,686	1,273,473	(418,213)
Expenditures				
Public Works	-	-	349,278	(349,278)
Capital Outlay	1,555,575	1,755,575	471,045	1,284,530
Total Expenditures	1,555,575	1,755,575	820,323	935,252
Net Change in Fund Balance	(63,889)	(63,889)	453,150	517,039
Fund Balance, *Beginning of year*	172,674	172,674	172,674	-
Fund Balance, *End of year*	$ 108,785	$ 108,785	$ 625,824	$ 517,039

Town of Monument, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December, 31, 2020

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2020 Actual
Revenues					
Charges For Services	$ 2,150,318	$ 2,150,318	$ 2,565,904	$ 415,586	$ 2,000,571
Other Income	-	-	70,615	70,615	31,108
Total Revenue	2,150,318	2,150,318	2,636,519	486,201	2,031,679
Expenses					
Operations and Maintenance	1,259,061	1,259,061	1,310,501	(51,440)	1,145,726
Administration and General	678,930	678,930	113,046	565,884	111,224
Capital Outlay	10,120,000	5,255,000	5,122,955	132,045	1,087,368
Total Expenses	12,057,991	7,192,991	6,546,502	646,489	2,344,318
Net Operating Income	(9,907,673)	(5,042,673)	(3,909,983)	1,132,690	(312,639)
Nonoperating Revenues (Expenses)					
Sales taxes	291,903	291,903	455,438	163,535	294,959
Grant Revenue	-	-	-	-	201
Interest Income	20,000	20,000	12,031	(7,969)	9,369
Debt and Financing	-		-	-	(87,564)
Debt Service	(1,274,893)	(1,274,893)	(640,824)	634,069	571,567
Total Nonoperating Revenues (Expenses)	(962,990)	(962,990)	(173,355)	789,635	788,532
Net Income (Loss) Before Contributed Capital	(10,870,663)	(6,005,663)	(4,083,338)	1,922,325	475,893
Contributed Capital					
Tap Fees	1,148,000	1,148,000	2,139,960	991,960	1,063,580
Transfers In	-	-	443,093	443,093	-
Transfers Out	(668,745)	(668,745)	(481,758)	186,987	(593,885)
Change in Net Position, *Budgetary Basis*	$ (10,391,408)	$ (5,526,408)	$ (1,982,043)	$ 3,544,365	$ 945,588
Reconciliation to GAAP Basis					
Capital Outlay			5,122,955		1,087,368
Gain on Sale of Assets			5,564		(547,539)
Change in accrued interest			-		(111,592)
Issuance of Certificates of Deposit			-		-
Depreciation			(447,885)		(435,058)
Change in Net Position, *GAAP Basis*			$ 2,698,591		$ 938,767

Compliance Section

State Compliance

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:
	YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _	Prepared By: Phone:

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	633,387
3. Other local imposts (from page 2)	1,309,430
4. Miscellaneous local receipts (from page 2)	22,434
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,965,251
B. Private Contributions	
C. Receipts from State government (from page 2)	349,865
D. Receipts from Federal Government (from page 2)	1,017,589
E. Total receipts (A.7 + B + C + D)	3,332,706

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	564,992
2. Maintenance:	18,306
3. Road and street services:	
a. Traffic control operations	917,510
b. Snow and ice removal	31,940
c. Other	
d. Total (a. through c.)	949,450
4. General administration & miscellaneous	98,556
5. Highway law enforcement and safety	
6. Total (1 through 5)	1,631,304
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,631,304

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,332,706	1,631,304		1,701,403

Notes and Comments:

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HINKLE & COMPANY PC
Strategic Business Advisors

To the Mayor and Board of Trustees
Town of Monument, Colorado
Monument, Colorado

We have audited the financial statements of the Town of Monument, Colorado (the Town) as of and for the year ended December 31, 2021 and have issued our report thereon dated June 24, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated January 31, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the Town's internal control over financial reporting and compliance solely for the purpose of designing our audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control or on compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We applied certain limited procedures to the required supplementary information (RSI). However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI. With respect to the supplementary information accompanying the financial statements, we performed procedures to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

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Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as discussed in the following paragraph. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements as a whole.

Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We proposed no uncorrected adjustments to the financial statements as a result of our audit procedures

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We proposed no uncorrected adjustments to the financial statements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Difficulties Encountered in Performing the Audit

We encountered no difficulties dealing with management during the audit process.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated June 24, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves the application of an accounting principle to the Town's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

Conclusion

This report is intended solely for the information and use of the Mayor, the Board of Trustees and management of the Town of Monument, Colorado and is not intended to be, and should not be, used by anyone other than these specified parties.

Hinkle & Company, PC

Englewood, Colorado
June 24, 2022