Town of Monument, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2022
with Comparative Totals for December 31, 2021

HINKLE & COMPANY PC
Strategic Business Advisors

TOWN OF MONUMENT, COLORADO
Basic Financial Statements
December 31, 2022

Town of Monument, Colorado
Table of Contents
December 31, 2022

Independent Auditor's Report 1

Management's Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements
- Statement of Net Position 4
- Statement of Activities 5

Governmental Funds
- Balance Sheet 6
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 7
- Statement of Revenues, Expenditures and Changes in Fund Balance 8
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities 9

Proprietary Fund
- Statement of Net Position 10
- Statement of Revenues, Expenses and Changes in Net Position 11
- Statement of Cash Flows 12

Notes to Financial Statements 13

Required Supplementary Information

Budgetary Comparison Schedules
- General Fund 34
- Capital Projects Fund 35
- 2A Water ASD Fund 36

Police Officers Statewide Defined Benefit Pension Plan - FPPA Police Officers Statewide Defined Benefit Pension Plan 37

Notes to Required Supplementary Information 38

Supplementary Information

Nonmajor Governmental Funds
- Combining Balance Sheet 39
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance 40

Budgetary Comparison Schedules
- 2F Police Fund 41
- Community Development Fund 42
- Conservation Trust Fund 43
- Traffic Impact Fee Fund 44

(Continued)

Town of Monument, Colorado
Table of Contents
December 31, 2022
(Continued)

Budgetary Comparison Schedules (Continued)
Storm Drainage Impact Fee Fund 45
Park Fee 46
Water Fund 47

Compliance Section

State Compliance

Local Highway Finance Report 48

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Town Council
Town of Monument, Colorado
Monument, Colorado

Report on the Audit of the Financial Statements

Opinions

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 (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2022, 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.

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

Management is responsible for the preparation and fair presentation of the 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.

Office Locations:
Colorado Springs, CO
Denver, CO
Tulsa, OK

Denver Office:
750 W. Hampden Avenue
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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 the Town'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 the Town'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.

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.

Supplementary 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 supplementary information 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 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 listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hinkle & Company.pc

Englewood, Colorado
May 26, 2023

Town of Monument, Colorado
Management's Discussion and Analysis
December 31, 2022

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, 2022. 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 2022 by $44,388,630 (net position).
- ~ The Town of Monument's total net position increased by $9,088,923, which was higher than the increase in 2021 of $5,001,711.
- ~ At December 31, 2022, the Town of Monument's governmental funds reported combined ending fund balances of $16,605,392 an increase of $4,698,353 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 report 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 $44,388,630 at the end of 2022 and at the end of 2021 by $35,299,707 (as restated), resulting in an increase in Total Net Position of $9,088,923.

	2022 Governmental Activities	2021 Governmental Activities	2022 Business-type Activities	2021 Business-type Activities	2022 Total	2021 Total
Current and other assets	$19,323,902	$14,499,216	$20,737,208	$22,660,381	$ 40,061,110	$ 37,159,597
Capital assets, net	9,041,279	9,088,803	19,622,904	13,698,858	28,664,183	22,787,661
Total assets	28,365,181	23,588,019	40,360,112	36,359,239	68,725,293	59,947,258
Long term liabilities	444,423	461,572	20,550,377	21,216,254	20,994,800	21,677,826
Other liabilities	1,202,165	1,512,008	821,105	1,366,591	2,023,270	2,878,599
Total liabilities	1,646,588	1,973,580	21,371,482	22,582,845	23,018,070	24,556,425
Deferred Resources						
Deferred Inflow of Resources	1,541,338	1,225,306	-	-	1,541,338	1,225,306
Deferred Outflow of Resources	222,745	-	-	-	222,745	-
Net Position						
Net investment in capital assets	8,831,719	8,756,600	(1,540,325)	10,122,872	7,291,394	18,879,472
Restricted	291,253	216,640	689,475	677,619	980,728	894,259
Unrestricted	16,277,028	11,415,893	19,839,480	2,975,903	36,116,508	14,391,796
Total net position	$25,400,000	$20,389,133	$18,988,630	$13,776,394	$44,388,630	$34,165,527

The largest portion of the Town of Monument's net position $7,291,394 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, $980,728, represents resources that are subject to external restriction on how they may be used. The remaining unrestricted balance is $36,116,508.

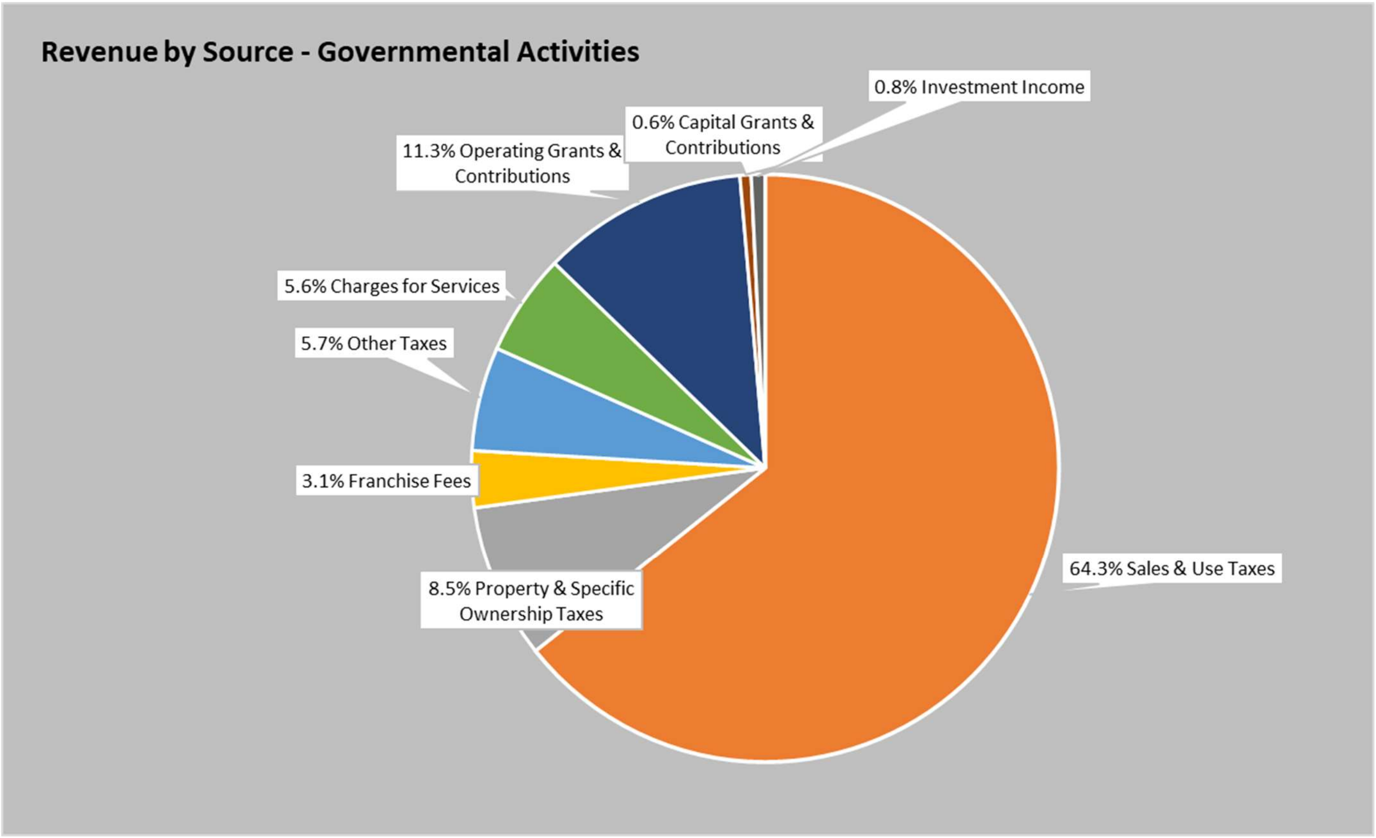
Changes in Net Position

The Town's net position increased $9,088,923 during 2022. Governmental Activities reported a $2,531,728 increase in revenue, with sales tax revenue and other taxes being the largest contributors.

CHANGES IN NET POSITION

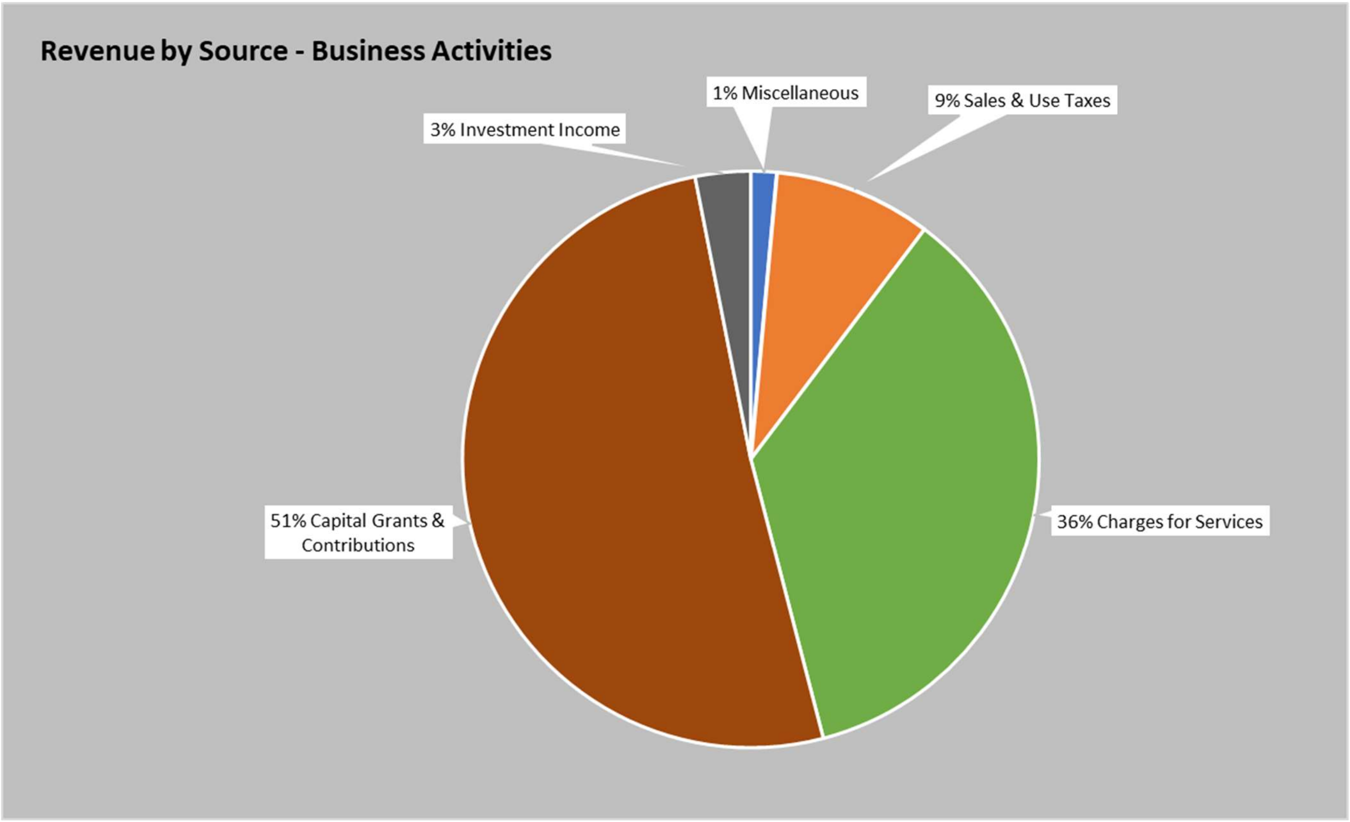
	2022 Governmental Activities	2021 Governmental Activities	2022 Business Type Activities	2021 Business Type Activities	2022 Total	2021 Total
Revenues:						
Program revenues:						
Charges for Services	$885,146	$845,533	$2,292,841	$2,565,904	$3,170,696	$3,411,437
Operating Grants & Contributions	1,790,863	1,105,642	-	-	1,790,863	1,105,642
Capital Grants & Contributions	96,280	63,946	3,265,350	2,139,960	3,361,630	2,203,906
General revenues:						
Property taxes	1,346,383	1,222,991	-	-	1,346,383	1,222,991
Sales taxes	10,147,196	7,895,195	567,278	455,438	10,714,474	8,350,633
Franchise taxes	492,899	447,731	-	-	492,898	447,731
Other Taxes	903,848	915,017	-	-	903,848	915,017
Investment income	121,032	5,601	246,608	12,031	367,640	17,632
Other Misc	(6,433)	36,061	92,768	76,179	86,335	112,240
Transfers	(669,104)	38,665	669,104	(38,665)	-	-
Total revenues	15,108,110	12,576,382	7,133,949	5,210,847	22,186,687	17,787,229
Expenses:						
General government	2,694,447	2,754,021	-	-	2,694,447	2,754,021
Public safety	3,815,031	2,555,014	-	-	3,815,031	2,555,014
Public works & parks	2,374,164	3,016,453	-	-	2,374,164	3,016,453
Parks and recreation	1,085,549	-	-	-	1,085,549	-
Capital Outlay	116,469	1.940,117	-	-	116,469	1,940,117
Interest on long-term debt	11,583	7,657	610,644	640,824	622,227	648,481
Water	-	-	2,445,249	1,871,432	2,445,249	1,871,432
Total expenses	10,097,243	10,273,262	3,055,893	2,512,256	13,153,136	12,785,510
	4,985,665	2,303,120	4,078,056	2,698,591	8,993,900	5,001,711
Net position, Beginning of year	20,389,133	18,086,013	13,776,394	11,077,803	29,163,816	29,163,816
Restatement of Beginning	-	-	1,134,180	-	1,134,180	-
Net Position, End of year	$25,400,000	20,389,133	$18,988,630	$13,776,394	$44,388,630	$34,165,527

Governmental Activities



Sales and use taxes are the Town's largest revenue source at 64%. Operating grants and contributions are the second largest revenue source at 11% of the Town's governmental activities revenue. Property taxes comprise the third largest revenue source of the Town's at 9%.

Business-type Activities



Capital grants and contributions account for 51% of the Town's revenue for business-type activities while charges for services accounted for 36%. Sales taxes account for 9% and the remaining interest income, and miscellaneous revenue accounts for 4% 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 $16,605,392, an increase of $4,698,353 in comparison with the prior year. Of this amount, 38% ($6,427,368) 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 ($16,504), B) Restricted for Emergencies ($207,574), C) restricted for parks and recreation ($299,058), or D) committed ($9,654,888).

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 $6,427,368 while total fund balance amounted to $6,646,831.

The fund balance of the Town's general fund increased by $2,149,563 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 $807,095 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 $18,988,630 an increase of $4,078,056 in comparison with the prior year. Of this amount, $19,839,480 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 ($1,540,325), or B) restricted for future water storage $689,475.

As stated above, the net position of the water fund increased by $4,078,056 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 Town Council 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 an increase in fund balance of $572,585 of which $76,624 due to approved of new Town Manager contract and the actual increase in fund balance was $2,149,563. Significant budgetary variances are as follows:

- ~ $878,002 additional tax revenue collected over budgeted.

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, 2022 totaled $28,664,183 (net of accumulated depreciation). Water fund capital assets represent 68% of this total.

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

- ~ Governmental activities expenditures including $1,275,606 in street improvements.
- ~ Business-type activities including capital outlay of $5,882,521 in other equipment, $4,934, and equipment and vehicles $136,944.

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 $21,804,201. Of this amount, $564,728 was debt of governmental activities while $21,239,513 was debt of business-type activities.

The Town's long-term debt decreased by $688,229 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 2022 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, 2022

With Comparative Totals for December 31, 2021

	Primary Government			
	Governmental Activities	Business-Type Activities	Total 2022	Total 2021
Assets				
Cash and Investments	$ 14,730,070	$ 19,826,248	$ 34,556,318	$ 32,808,636
Restricted Cash and Investments	83,679	689,475	773,154	720,696
Property Taxes Receivable	1,225,306	-	1,225,306	1,225,306
Sales and Other Receivable	2,767,563	-	2,767,563	2,100,082
Accounts Receivable	84,613	221,485	306,098	240,893
Prepaid Expenses	16,504	-	16,504	63,984
Net Pension Asset	416,167	-	416,167	-
Capital Assets,				
Not being depreciated	1,961,744	8,409,752	10,371,496	10,878,747
Capital Assets,				
Net of accumulated depreciation	7,079,535	11,213,152	18,292,687	11,908,914
Total Assets	28,365,181	40,360,112	68,725,293	59,947,258
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	222,745	-	222,745	-
Liabilities				
Accounts Payable	641,851	4,101	645,952	1,239,994
Accrued Salaries and Benefits	167,492	23,154	190,646	349,233
Accrued Interest	4,823	78,914	83,737	81,641
Developer Escrow and Deposits	267,694	25,800	293,494	393,087
Noncurrent Liabilities				
Due Within One Year	120,305	689,136	809,441	814,644
Due in More Than One Year	444,423	20,550,377	20,994,800	21,677,826
Total Liabilities	1,646,588	21,371,482	23,018,070	24,556,425
Deferred Inflows of Resources				
Deferred Property Taxes	1,225,306	-	1,225,306	1,225,306
Deferred Inflows Related to Pensions	316,032	-	316,032	-
Total Deferred Inflows of Resources	1,541,338	-	1,541,338	1,225,306
Net Position				
Net Investment in Capital Assets	8,831,719	(1,540,325)	7,291,394	18,879,472
Restricted for Emergencies	207,574	-	207,574	173,626
Restricted for Parks and Recreation	83,679	-	83,679	43,014
Restricted for Future Water Storage	-	689,475	689,475	677,619
Unrestricted, unreserved	16,277,028	19,839,480	36,116,508	14,391,796
Total Net Position	$ 25,400,000	$ 18,988,630	$ 44,388,630	$ 34,165,527

See Notes to the Financial Statements.

Town of Monument, Colorado
Statement of Activities
For the Year Ended December 31, 2022
With Comparative Totals for December 31, 2021

		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	2022	2021
Primary Government								
Governmental Activities								
General Government	$ 2,694,447	$ 420,107	$ 1,783,721	$ -	$ (490,619)	$ -	$ (490,619)	$ (1,255,127)
Public Safety	3,815,031	53,331	7,142	-	(3,754,558)	-	(3,754,558)	(2,519,062)
Public Works	2,374,164	301,358	-	-	(2,072,806)	-	(2,072,806)	(1,776,251)
Parks and Recreation	1,085,549	110,350	-	96,280	(878,919)	-	(878,919)	(759,927)
Capital Outlay	116,469	-	-	-	(116,469)	-	(116,469)	(1,940,117)
Interest on Long-Term Debt	11,583	-	-	-	(11,583)	-	(11,583)	(7,657)
Total Governmental Activities	10,097,243	885,146	1,790,863	96,280	(7,324,954)	-	(7,324,954)	(8,258,141)
Business-Type Activities								
Water	2,445,249	2,292,841	-	3,265,350	-	3,112,942	3,112,942	2,834,432
Interest on Long-Term Debt	610,644	-	-	-	-	(610,644)	(610,644)	(640,824)
Total Business-Type Activities	3,055,893	2,292,841	-	3,265,350	-	2,502,298	2,502,298	2,193,608
Total Primary Government	$ 13,153,136	$ 3,177,987	$ 1,790,863	$ 3,361,630	$ (7,324,954)	$ 2,502,298	$ (4,822,656)	$ (6,064,533)
General Revenues								
Sales and Use Taxes					10,147,196	567,278	10,714,474	8,350,633
Property Taxes					1,346,383	-	1,346,383	1,222,991
Franchise Taxes					492,899	-	492,899	447,731
Auto Sales Taxes					540,317	-	540,317	543,239
Other Taxes					363,531	-	363,531	371,778
Investment Income					121,032	246,608	367,640	17,632
Miscellaneous					(6,433)	92,768	86,335	112,240
Transfers					(669,104)	669,104	-	-
Total General Revenues and Transfers					12,335,821	1,575,758	13,911,579	11,066,244
Change in Net Position					5,010,867	4,078,056	9,088,923	5,001,711
Net Position, *Beginning of year*					20,389,133	13,776,394	34,165,527	29,163,816
Restatement of Beginning Net Position					-	1,134,180	1,134,180	-
Restated December 31, 2021 Net Position					20,389,133	14,910,574	35,299,707	29,163,816
Net Position, *End of year*					$ 25,400,000	$ 18,988,630	$ 44,388,630	$ 34,165,527

Town of Monument, Colorado
Balance Sheet
Governmental Funds
December 31, 2022
With Comparative Totals for December 31, 2021

	General	Capital Improvement Fund	2A Water ASD Fund	2F Police Fund	Other Governmental Funds	Total 2022	Total 2021
Assets							
Cash and Investments	$ 4,760,689	$ 1,475,854	$ 7,020,804	$ 676,367	$ 796,356	$ 14,730,070	$ 11,064,426
Restricted Cash and Investments	-	-	-	-	83,679	83,679	43,077
Property Taxes Receivable	1,225,306	-	-	-	-	1,225,306	1,225,306
Other Taxes Receivable	2,767,563	-	-	-	-	2,767,563	2,100,082
Accounts Receivable	84,613	-	-	-	-	84,613	2,341
Prepaid Expenses	11,889	-	-	4,427	188	16,504	63,984
Total Assets	$ 8,850,060	$ 1,475,854	$ 7,020,804	$ 680,794	$ 880,223	$ 18,907,735	$ 14,499,216
Liabilities							
Accounts Payable	$ 641,851	$ -	$ -	$ -	$ -	$ 641,851	$ 678,649
Accrued Salaries and Benefits	68,378	-	-	97,147	1,967	167,492	308,235
Developer Escrow	267,694	-	-	-	-	267,694	379,987
	977,923	-	-	97,147	1,967	1,077,037	1,366,871
Deferred Inflows of Resources							
Property Taxes	1,225,306	-	-	-	-	1,225,306	1,225,306
Fund Balance							
Nonspendable	11,889	-	-	4,427	188	16,504	63,984
Restricted for Emergencies	207,574	-	-	-	-	207,574	209,000
Restricted for Parks and Recreation	-	-	-	-	299,058	299,058	146,262
Committed	-	1,475,854	7,020,804	579,220	579,010	9,654,888	6,637,685
Unrestricted, Unassigned	6,427,368	-	-	-	-	6,427,368	4,850,108
Total Fund Balance	6,646,831	1,475,854	7,020,804	583,647	878,256	16,605,392	11,907,039
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 8,850,060	$ 1,475,854	$ 7,020,804	$ 680,794	$ 880,223	$ 18,907,735	$ 14,499,216

Town of Monument, Colorado

Reconciliation of Balance Sheet of the Governmental Funds
to the Statement of Net Position
December 31, 2022

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

Total Fund Balance of Governmental Funds	$ 16,605,392
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	9,041,279
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	(209,560)
Accrued interest payable	(4,823)
Accrued compensated absences	(355,168)
Net Pension Asset (Liability)	416,167
Deferred Inflows Related to Pensions	(316,032)
Deferred Outflows Related to Pensions	222,745
Total Net Position of Governmental Activities	$ 25,400,000

Town of Monument, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	General	Capital Improvement Fund	2A Water ASD Fund	2F Police Fund	Other Governmental Funds	Total 2022	Total 2021
Revenues							
Taxes	$ 7,737,441	$ 902,124	$ 2,111,649	$ 1,775,581	$ -	$ 12,526,795	$ 10,109,156
Licenses and Permits	134,256	-	-	-	84,490	218,746	215,490
Charges for Services	198,821	-	-	48,161	325,776	572,758	560,023
Intergovernmental	1,109,900	1,077,663	-	-	96,280	2,283,843	1,575,434
Court	53,331	-	-	-	-	53,331	32,048
Investment Income	44,065	1,750	71,443	-	3,774	121,032	5,601
Contributions and Donations	-	-	-	2,250	4,892	7,142	3,904
Miscellaneous	70,975	-	-	-	63,600	134,575	36,061
Total Revenues	9,348,789	1,981,537	2,183,092	1,825,992	578,812	15,918,222	12,537,717
Expenditures							
Current							
General Government	2,556,476	-	-	-	201,972	2,758,448	2,699,055
Public Safety	52,985	-	-	3,786,283	-	3,839,268	2,731,577
Public Works	1,338,057	857,319	99,119	-	-	2,294,495	1,391,969
Parks and Recreation	1,142,970	-	-	-	1,031	1,144,001	913,961
Capital Outlay	-	274,188	5,678	-	110,791	390,657	1,905,331
Debt Service							
Principal	32,066	-	-	82,066	-	114,132	199,038
Interest and Fiscal Charges	2,746	-	-	7,018	-	9,764	7,419
Total Expenditures	5,125,300	1,131,507	104,797	3,875,367	313,794	10,550,765	9,848,350
Excess Revenues Over (Under) Expenditures	4,223,489	850,030	2,078,295	(2,049,375)	265,018	5,367,457	2,689,367
Other Financing Sources (Uses)							
Proceeds from Issuance of Debt	-	-	-	-	-	-	265,000
Transfers In	622,096	-	-	2,633,022	63,000	3,318,118	611,758
Transfers Out	(2,696,022)	-	(1,271,200)	-	(20,000)	(3,987,222)	(573,093)
Other Financing Sources (Uses)	(2,073,926)	-	(1,271,200)	2,633,022	43,000	(669,104)	303,665
Net Change in Fund Balance	2,149,563	850,030	807,095	583,647	308,018	4,698,353	2,993,032
Fund Balance, *Beginning of year*	4,497,268	625,824	6,213,709	-	570,238	11,907,039	8,914,007
Fund Balance, *End of year*	$ 6,646,831	$ 1,475,854	$ 7,020,804	$ 583,647	$ 878,256	$ 16,605,392	$ 11,907,039

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, 2022

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

Net Change in Fund Balance of Governmental Funds	$	4,698,353
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		1,275,606
Depreciation Expense		(1,182,122)
Disposal of Capital Assets		(141,008)
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.		
Principal payments on capital leases		114,409
Change in Interest payable		(2,096)
Change in accrued compensated absences		(75,155)
Change in Pension Asset		416,167
Change in Deferred Inflows Related to Pensions		(316,032)
Change in Deferred Outflows Related to Pensions		222,745
Change in Net Position of Governmental Activities	$	5,010,867

See Notes to the Financial Statements.

Town of Monument, Colorado
Statement of Net Position
Proprietary Fund
December 31, 2022
With Comparative Totals for December 31, 2021

	2022	2021
Assets		
Current Assets		
Cash and Investments	$ 19,826,248	$ 21,744,210
Restricted Cash and investments	689,475	677,619
Accounts Receivable	221,485	238,552
Total Current Assets	20,737,208	22,660,381
Noncurrent Assets		
Capital Assets*, not being depreciated*	8,409,752	8,917,003
Capital Assets*, net of accumulated depreciation*	11,213,152	4,781,855
Total Noncurrent Assets	19,622,904	13,698,858
Total Assets	40,360,112	36,359,239
Liabilities		
Current Liabilities		
Accounts Payable	4,101	561,345
Accrued Liabilities	23,154	40,998
Accrued Compensated Absences, Current portion	7,728	6,470
Accrued Interest Payable	78,914	78,914
Certificates of Participation, Current Portion	681,408	665,764
Total Current Liabilities	795,305	1,353,491
Noncurrent Liabilities		
Deposits	25,800	13,100
Accrued Compensated Absences	68,556	58,233
Leases payable	20,481,821	21,158,021
Total Noncurrent Liabilities	20,576,177	21,229,354
Total Liabilities	21,371,482	22,582,845
Net Position		
Net Investment in Capital Assets	(1,540,325)	10,122,872
Restricted for Future Water Storage	689,475	677,619
Unrestricted	19,839,480	2,975,903
Total Net Position	$ 18,988,630	$ 13,776,394

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, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022	2021
Operating Revenues		
Charges for Services	$ 2,292,841	$ 2,565,904
Miscellaneous	92,269	70,615
Total Operating Revenues	2,385,110	2,636,519
Operating Expenses		
Operations and Maintenance	1,561,813	1,310,500
Administrative and General	156,154	113,046
Depreciation	727,282	447,886
Total Operating Expenses	2,445,249	1,871,432
Net Operating Income	(60,139)	765,087
Non-Operating Revenues (Expenses)		
Sales taxes	567,278	455,438
Interest Income	246,608	12,031
Interest Expense	(610,644)	(640,824)
Gain on Sale of Assets	499	5,564
Net Income (Loss) Before Contributed Capital	143,602	597,296
Contributed Capital and Transfers		
Tap Fees	3,265,350	2,139,960
Transfers In	1,271,200	443,093
Transfers Out	(602,096)	(481,758)
Total Capital Contributions and Transfers	3,934,454	2,101,295
Change in Net Position	4,078,056	2,698,591
Net Position, *Beginning of year*	13,776,394	11,077,803
Restatement of Beginning Net Position	1,134,180	-
Restated December 31, 2021 Net Position	14,910,574	11,077,803
Net Position, *End of year*	$ 18,988,630	$ 13,776,394

See Notes to the Financial Statements.

Town of Monument, Colorado
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2022
With Comparative Totals for December 31, 2021

	2022	2021
Cash Flows From Operating Activities		
Cash Received from Customers	$ 2,309,908	$ 2,501,053
Cash Received from Others	92,269	70,615
Cash Paid to Suppliers	(1,521,561)	(382,712)
Cash Paid to Employees	(759,913)	(635,721)
Net Cash Provided by Operating Activities	120,703	1,553,235
Cash Flows From Non-Capital Financing Activities		
Sales Tax Received	567,278	455,438
Transfer from Other Funds	1,271,200	443,093
Transfer to Other Funds	(602,096)	(481,758)
Net Cash Provided by Noncapital Financing Activities	1,236,382	416,773
Cash Flows From Capital and Related Financing Activities		
Tap fees received	3,265,350	2,139,960
Acquisition and Construction of Capital Assets	(5,517,148)	(5,122,956)
Deposit Received from Customers	12,700	3,900
Proceeds from Sale of Assets	499	5,564
Debt Principal Payments	(660,556)	(600,556)
Debt Interest Payments	(610,644)	(674,336)
Net Cash Used by Capital and Related Financing Activities	(3,509,799)	(4,248,424)
Cash Flows From Investing Activities		
Interest received	246,608	12,031
Net Cash Used by Capital and Related Financing Activities	246,608	12,031
Net Change in Cash and Cash Equivalents	(1,906,106)	(2,266,385)
Cash and Cash Equivalents, *Beginning of year*	22,421,829	24,688,214
Cash and Cash Equivalents, *End of year*	$ 20,515,723	$ 22,421,829
Reconciliation of Net Operating Income to		
Net Cash Provided by Operating Activities:		
Net Operating Income	$ (60,139)	$ 765,087
Adjustments to Reconcile Net Operating Income to		
Net Cash Provided by Operating Activities		
Depreciation Expense	727,282	447,886
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	17,067	(64,851)
Prepaid Expenses	-	-
Accounts Payable	(557,244)	377,951
Accrued Expenses	(17,844)	23,469
Accrued Compensated Absences	11,581	3,693
Net Cash Provided by Operating Activities	$ 120,703	$ 1,553,235

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 *Capital Improvement Fund* is used for the acquisition or construction of major capital facilities and/or assets (other than those financed by proprietary funds). Major capital projects are funded with a portion of sales, highway user's, and road and bridge taxes.

Note 1: Summary of Significant Accounting Policies (Continued)

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

The *2A Water ASD Fund* accounts for the revenues collected from a 1% sales tax restricted for expenditures allocated for water projects by citizen election.

The *2F Police Fund* accounts for the revenues and expenditures allocated for the Town's police department.

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)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(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 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.

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)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(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 Town Council. These amounts cannot be used for any other purpose unless the Town Council 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, 2022.

> 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Property Taxes

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

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

The Town has evaluated subsequent events through May 26, 2023, 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, 2022 follows:

Petty Cash	$	1,350
Cash Deposits		12,271,522
Investments		23,056,600
Total	$	35,329,472

At December 31, 2022, cash and investments consisted of the following:

Cash and Investments	$	34,556,318
Restricted Cash and Investments		773,154
Total	$	35,329,472

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 $250,0p00 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, 2022, the Town had deposits with financial institutions with a carrying amount of $12,271,622. The bank balances with the financial institutions totaling $12,408,877 of which $250,000 were covered by the FDIC and $12,009,624 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 Town Council. 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.

Note 3: Cash and Investments (Continued)

Investments *(Continued)*

- 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

At December 31, 2022, the Town had the following investments:

	Maturity	2022
	Weighted Average	
Colotrust	under 60 days	$ 22,671,626
Certificates of Deposits	One year or less	340,003
		$ 23,011,629

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 council 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	$ 689,475
Parks and Recreation - Conservation Trust Fund	83,679
Total	$ 773,154

Note 3: Cash and Investments (Continued)

Investments *(Continued)*

Future Water Storage - The Town has restricted $689,475 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 $83,679 in the Conservation Trust Fund for future parks and recreation expenditures.

Note 4: Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Water Fund	$ 602,096
General Fund	Conservation Trust Fund	20,000
Community Development Fund	General Fund	63,000
2F Police Fund	General Fund	2,633,022
Water Fund	2A Water ASD Fund	1,271,200
Total		$ 4,589,318

During the year ended December 31, 2022, 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, 2022 is summarized below:

Governmental Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Capital Assets, *Not Being Depreciated*				
Land	$ 1,767,122	$ -	$ -	$ 1,767,122
Construction in Progress	194,622	-	-	194,622
Total Capital Assets, *Not Being Depreciated*	1,961,744	-	-	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	671,133	-	-	671,133
Vehicles and Street Equipment	1,879,542	464,885	-	2,344,427
Park Improvements	666,382	-	-	666,382
Street Improvements	6,244,409	810,721	(156,676)	6,898,454
Total Capital Assets, *Being Depreciated*	$ 21,909,160	$ 1,275,606	$ (156,676)	$ 23,028,090
Less Accumulated Depreciation				
Buildings	$ (1,850,470)	$ (128,346)	$ -	$ (1,978,816)
Infrastructure	(6,033,761)	(276,265)	-	(6,310,026)
Water Rights	(34,576)	(2,706)	-	(37,282)
Furniture and Equipment	(552,628)	(46,556)	-	(599,184)
Vehicles and Street Equipment	(1,221,215)	(221,778)	-	(1,442,993)
Park Improvements	(498,016)	(33,472)	-	(531,488)
Street Improvements	(4,591,435)	(472,999)	15,668	(5,048,766)
Total Accumulated Depreciation	(14,782,101)	(1,182,122)	15,668	(15,948,555)
Total Capital Assets, *Being Depreciated, net*	7,127,059	93,484	(141,008)	7,079,535
Governmental Activities Capital Assets, *net*	$ 9,088,803	$ 93,484	$ (141,008)	$ 9,041,279

Note 5: Capital Assets (Continued)

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

Governmental Activities		
General Government	$	183,724
Public Safety		83,802
Public Works		868,848
Parks and Recreation		45,748
Total	$	1,182,122

Note 5: Capital Assets (Continued)

Capital assets Business-Type activity for the year ended December 31, 2022 is summarized below:

Business-Type Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Capital Assets, *Not Being Depreciated*				
Water Master Plan	$ 664,971	$ -	$ -	$ 664,971
Construction in Progress	5,293,675	4,128,862	(4,636,113)	4,786,424
Monument Dam	2,958,357	-	-	2,958,357
Total Capital Assets, *Not Being Depreciated*	8,917,003	4,128,862	(4,636,113)	8,409,752
Capital Assets, *Being Depreciated*				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Buildings	1,260,562	-	-	1,260,562
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,199,322	-	-	1,199,322
Other Equipment	1,394,277	4,934	-	1,399,211
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	9,209,823	5,882,521	-	15,092,344
Transmission & Distribution	2,731,482	-	-	2,731,482
Equipment and Vehicles	458,762	136,944	-	595,706
Total Capital Assets, *Being Depreciated*	17,278,864	6,024,399	-	23,303,263
Total Capital Assets	26,195,867	10,153,261	(4,636,113)	31,713,015
Less: Accumulated depreciation				
Water Rights	(70,000)	(2,500)	-	(72,500)
Alluvium Wells	(408,107)	(2,456)	-	(410,563)
Public Works Buildings	(63,491)	(43,827)	-	(107,318)
Iron Treatment Plant	(287,854)	-	-	(287,854)
Water Treatment Plant	(626,834)	(39,977)	-	(666,811)
Other Equipment	(1,037,977)	(81,321)	-	(1,119,298)
Slabaugh Well	(112,924)	(3,828)	-	(116,752)
Wells/Treatment	(6,507,072)	(415,074)	-	(6,922,146)
Transmission & Distribution	(1,984,620)	(81,158)	-	(2,065,778)
Equipment and Vehicles	(263,950)	(57,141)	-	(321,091)
	(11,362,829)	(727,282)	-	(12,090,111)
Business-Type Activities Capital Assets, *net*	$ 14,833,038	$ 9,425,979	$ (4,636,113)	$ 19,622,904

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, 2022.

Governmental Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22	Due Within One Year
Capital leases	$ 323,969	$ -	$ (114,409)	$ 209,560	$ 84,788
Compensated Absences	280,013	332,546	(257,391)	355,168	35,517
Total	$ 603,982	$ 332,546	$ (371,800)	$ 564,728	$ 120,305

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, 2022:

Year Ended December 31,	Total
2023	$ 91,203
2024	73,797
2025	56,391
Total Future Minimum Lease Payments	221,391
Less: Interest	(11,831)
Present Value of Future Minimum Lease Payments	$ 209,560

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022.

Business-Type Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22	Due Within One Year
Certificates of Participation	$ 19,405,000	$ -	$ (495,000)	$ 18,910,000	$ 515,000
Premium	2,418,785	-	(165,556)	2,253,229	166,408
Compensated Absences	64,703	52,403	(40,822)	76,284	7,728
Total	$ 21,888,488	$ 52,403	$ (701,378)	$ 21,239,513	$ 689,136

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, 2022.

Year Ended December 31,	Principle	Interest	Total
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	605,000	668,800	1,273,800
2028 - 2032	3,405,000	2,961,000	6,366,000
2033 - 2037	4,140,000	2,223,800	6,363,800
2038 - 2042	5,040,000	1,326,600	6,366,600
2043 - 2045	3,530,000	286,200	3,816,200
	$ 18,910,000	$ 10,365,000	$ 29,275,000

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, 2022, the Town contributions were $280,280 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, 2022.

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, 2022, the emergency reserve of $207,574 was recorded in the General Fund.

Note 10: Defined Benefit Pension Plan

General Information

Plan Description - Eligible employees of the Town are provided with pensions through the SWDB, a cost-sharing multiple-employer defined benefit pension plan administered by FFPA. FFPA issues a publicly available annual comprehensive financial report that can be obtained at http://www.FPPAco.org.

Benefits Provided - A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member’s highest three years’ pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Council’s discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member’s average highest three years’ pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Note 10: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The collective total pension liability as of December 31, 2021 is based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation.

At December 31, 2022, the Town reported an asset of $416,167 for its proportionate share of the net pension asset.

At December 31, 2021, the Town’s proportion was 0.0767928998%, which was an increase of 0.0000429298% from its proportion measured as of December 31, 2020.

Note 10: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the year ended December 31, 2022, the Town recognized pension benefit of $67,271. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 96,945	$ 8,702
Changes of assumptions and other inputs	47,661	-
Net difference between projected and actual earnings on plan investments	-	208,506
Changes in proportion	2,195	98,824
Contributions subsequent to the measurement date	75,944	-
Total	$ 222,745	$ 316,032

The Town's contributions of $75,944 subsequent to the measurement date will be recognized as a reduction to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Total
2023	$ (86,556)
2024	(56,691)
2025	(31,361)
2026	4,633
2027	981
Thereafter	(237)
Total	$ (169,231)

Note 10: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

Actuarial Assumptions – The actuarial valuation as of December 31, 2021 determined the total pension asset using the following actuarial assumptions and other inputs.

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Note 10: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate - Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

Note 10: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	$ (57,392)	$ (416,167)	$ (713,392)

Note 11: Restatement of Prior Year Balances

Restatement of December 31, 2021 Net Position to record building purchased in 2021 that was expensed by the 2A Water ASD Fund for the Water Fund.

	2021 Balances as Reported	Asset Restatement	2021 Balances as Restated
Business Type Activities			
Statement of Net Position			
Assets	$ 36,359,239	$ 1,134,180	$ 37,493,419
Net Position	$ 13,776,394	$ 1,134,180	$ 14,910,574

Required Supplementary Information

Town of Monument, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022
With Comparative Actual Totals for the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Taxes	$ 5,801,549	$ 6,859,439	$ 7,737,441	$ 878,002	$ 7,164,039
Licenses and Permits	70,750	70,750	134,256	63,506	124,613
Charges for Services	132,600	132,600	198,821	66,221	235,275
Intergovernmental	1,606,141	1,606,141	1,109,900	(496,241)	1,163,554
Court	35,000	35,000	53,331	18,331	32,048
Interest	5,000	5,000	44,065	39,065	3,960
Contributions and Donations	-	-	-	-	3,904
Miscellaneous	5,750	5,750	70,975	65,225	29,961
Total Revenues	7,656,790	8,714,680	9,348,789	634,109	8,757,354
Expenditures					
Current					
General Government	2,727,081	2,752,817	2,556,476	196,341	2,530,560
Public Safety	142,098	142,098	52,985	89,113	2,731,577
Public Works	1,275,041	1,301,763	1,338,057	(36,294)	980,346
Parks and Recreation	706,825	825,102	1,142,970	(317,868)	879,175
Capital Outlay	409,500	409,500	-	409,500	-
Debt Service					
Principal	32,343	32,343	32,066	277	199,038
Interest	2,470	2,470	2,746	(276)	7,419
Total Expenditures	5,295,358	5,466,093	5,125,300	340,793	7,328,115
Excess Revenues Over (Under) Expenditures	2,361,432	3,248,587	4,223,489	974,902	1,429,239
Other Financing Sources (Uses)					
Proceeds from Issuance of Debt	-	-	-	-	265,000
Transfers In	20,000	20,000	622,096	602,096	501,758
Transfers Out	(2,696,002)	(2,696,002)	(2,696,022)	(20)	(110,000)
Net Change in Fund Balance	(314,570)	572,585	2,149,563	1,576,978	2,085,997
Fund Balance, *Beginning of year*	3,717,444	4,648,108	4,497,268	(150,840)	2,411,271
Fund Balance, *End of year*	$ 3,402,874	$ 5,220,693	$ 6,646,831	$ 1,426,138	$ 4,497,268

Town of Monument, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Taxes	$ 650,000	$ 650,000	$ 902,124	$ 252,124	$ 925,516
Intergovernmental	2,499,918	2,499,918	1,077,663	(1,422,255)	347,934
Interest	2,000	2,000	1,750	(250)	23
Total Revenues	3,151,918	3,151,918	1,981,537	(1,170,381)	1,273,473
Expenditures					
Public Works	-	-	857,319	(857,319)	349,278
Capital Outlay	3,268,925	3,268,925	274,188	2,994,737	471,045
Total Expenditures	3,268,925	3,268,925	1,131,507	2,137,418	820,323
Net Change in Fund Balance	(117,007)	(117,007)	850,030	967,037	453,150
Fund Balance, *Beginning of year*	632,461	625,824	625,824	-	172,674
Fund Balance, *End of year*	$ 515,454	$ 508,817	$ 1,475,854	$ 967,037	$ 625,824

Town of Monument, Colorado
Budgetary Comparison Schedule
2A Water ASD Fund
For the Year Ended December 31, 2022
With Comparative Actual Totals for the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Sales Taxes	$ 1,376,300	$ 1,376,300	$ 2,111,649	$ 735,349	$ 2,019,601
Interest	35,000	35,000	71,443	36,443	1,539
Total Revenues	1,411,300	1,411,300	2,183,092	771,792	2,021,140
Expenditures					
Public Works	211,000	211,000	99,119	111,881	62,345
Capital Outlay	250,000	250,000	5,678	244,322	1,381,628
Total Expenditures	461,000	461,000	104,797	356,203	1,443,973
Other Financing Sources (Uses)					
Transfers Out	(1,271,200)	(1,271,200)	(1,271,200)	-	(443,093)
Net Change in Fund Balance	(320,900)	(320,900)	807,095	1,127,995	134,074
Fund Balance, *Beginning of year*	4,580,041	6,213,709	6,213,709	-	6,079,635
Fund Balance, *End of year*	$ 4,259,141	$ 5,892,809	$ 7,020,804	$ 1,127,995	$ 6,213,709

Town of Monument, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
FPPA Police Officers Statewide Defined Benefit Pension Plan
For the Year Ended December 31, 2022

	12/31/2021
Proportionate Share of the Net Pension Liability (Benefit)	
Authority's Proportion of the Net Pension Liability (Benefit)	0.0767928998%
Authority's Proportionate Share of the Net Pension Liability (Asset)	$ (416,167)
Authority's Covered Payroll	$ 1,260,019
Authority's Proportionate Share of the Net Pension Liability (Benefit) as a Percentage of Covered Payroll	-33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Benefit)	116%

	12/31/2022
Authority Contributions	
Statutorily Required Contribution	$ 75,944
Contributions in Relation to the Statutorily Required Contribution	(75,944)
Contribution Deficiency (Excess)	$ -
Authority's Covered Payroll	$ 1,691,532
Contributions as a Percentage of Covered Payroll	4.49%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

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:

- In October, management submits to the Town Council a proposed 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 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 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). Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Colorado governments may not exceed budgeted appropriations at the fund level.
- All appropriations lapse at year end.

For the year ended December 31, 2022, the Town's Park Fee Fund expenditures exceeded expenditure appropriations. This may be a violation of State statutes.

Supplementary Information

Town of Monument, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	Community Development Fund	Conservation Trust Fund	Traffic Impact Fee Fund	Storm Drainage Impact Fee Fund	Park Fee Fund	Total 2022	Total 2021
Assets							
Cash and Investments	$ 92,859	$ -	$ 223,587	$ 264,531	$ 215,379	$ 796,356	$ 546,977
Restricted Cash and Investments	-	83,679	-	-	-	83,679	43,077
Prepaid Expenses	-	-	-	-	188	188	-
Total Assets	$ 92,859	$ 83,679	$ 223,587	$ 264,531	$ 215,567	$ 880,223	$ 590,054
Liabilities							
Accounts Payable	1,967	-	-	-	-	1,967	19,816
Total Liabilities	1,967	-	-	-	-	1,967	19,816
Fund Balance							
Nonspendable	-	-	-	-	188	188	-
Restricted for Parks and Recreation	-	83,679	-	-	215,379	299,058	146,262
Committed	90,892	-	223,587	264,531	-	579,010	423,976
Total Fund Balance	90,892	83,679	223,587	264,531	215,567	878,256	570,238
Total Liabilities and Fund Balance	$ 92,859	$ 83,679	$ 223,587	$ 264,531	$ 215,567	$ 880,223	$ 590,054

Town of Monument, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Community Development Fund	Conservation Trust Fund	Traffic Impact Fee Fund	Storm Drainage Impact Fee Fund	Park Fee Fund	Total 2022	Total 2021
Revenues							
Licenses and Permits	$ 84,490	$ -	$ -	$ -	$ -	$ 84,490	$ 90,877
Intergovernmental	-	96,280	-	-	-	96,280	63,946
Charges for Services	-	-	99,024	116,402	110,350	325,776	324,748
Investment Income	646	512	1,958	658	-	3,774	79
Contributions and Donations	1,622	270	-	-	3,000	4,892	-
Miscellaneous	63,600	-	-	-	-	63,600	6,100
Total Revenues	150,358	97,062	100,982	117,060	113,350	578,812	485,750
Expenditures							
General Government	201,972	-	-	-	-	201,972	168,495
Parks and Recreation	-	-	-	-	1,031	1,031	-
Capital Outlay	-	36,397	52,498	21,896	-	110,791	87,444
Total Expenditures	201,972	36,397	52,498	21,896	1,031	313,794	255,939
Excess Revenues Over (Under) Expenditures	(51,614)	60,665	48,484	95,164	112,319	265,018	229,811
Other Financing Sources (Uses)							
Transfers In	63,000	-	-	-	-	63,000	110,000
Transfers Out	-	(20,000)	-	-	-	(20,000)	(20,000)
Net Change in Fund Balance	11,386	40,665	48,484	95,164	112,319	308,018	319,811
Fund Balance, *Beginning of year*	79,506	43,014	175,103	169,367	103,248	570,238	250,427
Fund Balance, *End of year*	$ 90,892	$ 83,679	$ 223,587	$ 264,531	$ 215,567	$ 878,256	$ 570,238

Town of Monument, Colorado
Budgetary Comparison Schedule
2F Police Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Taxes	$ 1,650,000	$ 1,750,000	$ 1,775,581	$ 25,581	$ -
User Charges/ Fees	3,000	46,000	48,161	2,161	-
Donations	-	-	2,250	2,250	-
Interest	500	500	-	(500)	-
Total Revenues	1,653,500	1,796,500	1,825,992	29,492	-
Expenditures					
Public Safety	4,075,933	4,086,176	3,786,283	299,893	-
Capital Outlay	115,000	208,497	-	208,497	-
Debt Service					
Principal	82,066	82,066	82,066	-	-
Interest	7,107	7,107	7,018	89	-
Total Expenditures	4,280,106	4,383,846	3,875,367	508,479	-
Other Financing Sources (Uses)					
Transfers In	2,633,002	2,633,002	2,633,022	20	-
Net Change in Fund Balance	6,396	45,656	583,647	537,991	-
Fund Balance, *Beginning of year*	-	-	-	-	-
Fund Balance, *End of year*	$ 6,396	$ 45,656	$ 583,647	$ 537,991	$ -

See Accompanying Independent Auditor's Report.

Town of Monument, Colorado

Budgetary Comparison Schedule
Community Development Fund
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Business Licenses	$ 74,125	$ 74,125	$ 84,490	$ 10,365	$ 90,877
Interest	400	400	646	246	14
Contributions and Donations	-	-	1,622	1,622	-
Miscellaneous	4,000	71,782	63,600	(8,182)	6,100
Total Revenues	78,525	146,307	150,358	4,051	96,991
Expenditures					
General Government	167,411	227,998	201,972	26,026	168,495
Total Expenditures	167,411	227,998	201,972	26,026	168,495
Other Financing Sources (Uses)					
Transfers In	63,000	63,000	63,000	-	110,000
Net Change in Fund Balance	(25,886)	(18,691)	11,386	30,077	38,496
Fund Balance, *Beginning of year*	39,831	81,328	79,506	(1,822)	41,010
Fund Balance, *End of year*	$ 13,945	$ 62,637	$ 90,892	$ 28,255	$ 79,506

Town of Monument, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Lottery Revenues	$ 48,000	$ 48,000	$ 96,280	$ 48,280	$ 63,946
Interest	100	100	512	412	9
Contributions and Donations	-	-	270	270	-
Total Revenues	48,100	48,100	97,062	48,962	63,955
Expenditures					
Park and Recreation	40,000	40,000	-	40,000	-
Capital Outlay	-	-	36,397	(36,397)	34,786
Total Expenditures	40,000	40,000	36,397	3,603	34,786
Other Financing Sources (Uses)					
Transfers Out	(20,000)	(20,000)	(20,000)	-	(20,000)
Net Change in Fund Balance	(11,900)	(11,900)	40,665	52,565	9,169
Fund Balance, *Beginning of year*	43,014	33,845	43,014	9,169	33,845
Fund Balance, *End of year*	$ 31,114	$ 21,945	$ 83,679	$ 61,734	$ 43,014

Town of Monument, Colorado

Budgetary Comparison Schedule
Traffic Impact Fee Fund
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Traffic Impact Fees	$ 49,490	$ 49,490	$ 99,024	$ 49,534	$ 87,938
Interest	1,200	1,200	1,958	758	44
Total Revenues	50,690	50,690	100,982	50,292	87,982
Expenditures					
Capital Outlay	100,000	100,000	52,498	47,502	42,015
Total Expenditures	100,000	100,000	52,498	47,502	42,015
Net Change in Fund Balance	(49,310)	(49,310)	48,484	97,794	45,967
Fund Balance, *Beginning of year*	105,826	121,544	175,103	53,559	129,136
Fund Balance, *End of year*	$ 56,516	$ 72,234	$ 223,587	$ 151,353	$ 175,103

Town of Monument, Colorado

Budgetary Comparison Schedule
Storm Drainage Impact Fee
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	Original and Final Budget	Original and Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Storm Drainage Impact Fees	$ 60,000	$ 60,000	$ 116,402	$ 56,402	$ 133,562
Interest	250	250	658	408	12
Total Revenues	60,250	60,250	117,060	56,810	133,574
Expenditures					
Capital Outlay	100,000	100,000	21,896	78,104	10,643
Total Expenditures	100,000	100,000	21,896	78,104	10,643
Net Change in Fund Balance	(39,750)	(39,750)	95,164	134,914	122,931
Fund Balance, *Beginning of year*	86,686	169,367	169,367	-	46,436
Fund Balance, *End of year*	$ 46,936	$ 129,617	$ 264,531	$ 134,914	$ 169,367

Town of Monument, Colorado

Budgetary Comparison Schedule
Park Fee
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022				
	Original and Final Budget	Original and Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Charges for Services	$ 40,000	$ 40,000	$ 110,350	$ 70,350	$ 103,248
Interest	100	100	-	(100)	-
Contributions and Donations	-	-	3,000	3,000	-
Total Revenues	40,100	40,100	113,350	73,250	103,248
Expenditures					
Parks and Recreation	-	-	1,031	(1,031)	-
Total Expenditures	-	-	1,031	(1,031)	-
Net Change in Fund Balance	40,100	40,100	112,319	72,219	103,248
Fund Balance, *Beginning of year*	80,020	103,248	103,248	-	-
Fund Balance, *End of year*	$ 120,120	$ 143,348	$ 215,567	$ 72,219	$ 103,248

Town of Monument, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December, 31, 2021

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*	2021 Actual
Revenues					
Charges For Services	$ 2,240,104	$ 2,553,336	$ 2,292,841	$ (260,495)	$ 2,565,904
Other Income	-	-	92,269	92,269	70,615
Total Revenue	2,240,104	2,553,336	2,385,110	(168,226)	2,636,519
Expenses					
Operations and Maintenance	1,718,489	1,846,489	1,561,813	284,676	1,310,500
Administration and General	897,516	897,516	156,154	741,362	113,046
Capital Outlay	17,815,000	3,735,910	5,517,148	(1,781,238)	5,122,956
Total Expenses	20,431,005	6,479,915	7,235,115	(755,200)	6,546,502
Net Operating Income	(18,190,901)	(3,926,579)	(4,850,005)	(923,426)	(3,909,983)
Nonoperating Revenues (Expenses)					
Sales taxes	350,873	829,524	567,278	(262,246)	455,438
Interest Income	20,000	206,079	246,608	40,529	12,031
Debt Service	(1,274,893)	(1,274,893)	(1,271,200)	3,693	(1,274,892)
Total Nonoperating Revenues (Expenses)	(904,020)	(239,290)	(457,314)	(218,024)	(807,423)
Net Income (Loss) Before Contributed Capital	(19,094,921)	(4,165,869)	(5,307,319)	(1,141,450)	(4,717,406)
Contributed Capital					
Tap Fees	2,820,000	3,913,294	3,265,350	(647,944)	2,139,960
Transfers In	1,271,200	1,271,200	1,271,200	-	443,093
Transfers Out	-	-	(602,096)	(602,096)	(481,758)
Change in Net Position, *Budgetary Basis*	$ (15,003,721)	$ 1,018,625	$ (1,372,865)	$ (2,391,490)	$ (2,616,111)
Reconciliation to GAAP Basis					
Capital Outlay			5,517,148		5,122,956
Gain on Sale of Assets			499		5,564
Change in accrued interest			-		33,512
Debt Principal Payments			660,556		600,556
Depreciation			(727,282)		(447,886)
Change in Net Position, *GAAP Basis*			$ 4,078,056		$ 2,698,591

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	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: TOWN OF MONUMENT	Prepared By: LAURIE YOUNG

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	
3. Other local imposts (from page 2)	$ 1,286,697.22
4. Miscellaneous local receipts (from page 2)	$ 37,331.41
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.)	$ -
7. Total (1 through 6)	$ 1,324,028.63
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 348,411.06
D. Receipts from Federal Government (from page 2)	$ 1,017,589.49
E. Total receipts (A.7 + B + C + D)	$ 2,690,029.18

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 1,102,927.82
2. Maintenance:	$ 28,578.90
3. Road and street services:	
a. Traffic control operations	$ 1,435,148.80
b. Snow and ice removal	$ 41,376.70
c. Other	
d. Total (a. through c.)	$ 1,476,525.50
4. General administration & miscellaneous	$ 145,426.57
5. Highway law enforcement and safety	
6. Total (1 through 5)	$ 2,753,458.79
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 2,753,458.79

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		$ 2,690,029.18	$ 2,753,458.79		$ (63,429.61)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22

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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	$ 37,331.41
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	$ 218,042.23	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	$ 4,670.00	f. Charges for Services	
5. Specific Ownership &/or Other	$ 1,063,984.99	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 1,286,697.22	h. Other	
c. Total (a. + b.)	$ 1,286,697.22	i. Total (a. through h.)	$ 37,331.41
(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 (from Item I.C.5.)	$ 309,541.78	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 38,869.28	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	$ 1,017,589.49
f. Total (a. through e.)	$ 38,869.28	g. Total (a. through f.)	$ 1,017,589.49
4. Total (1. + 2. + 3.f)	$ 348,411.06	3. Total (1. + 2.g)	$ 1,017,589.49
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES 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			$ -
b. Engineering Costs		$ 320,785.79	$ 320,785.79
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation		$ 782,142.03	$ 782,142.03
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 782,142.03	$ 782,142.03
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 1,102,927.82	$ 1,102,927.82
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536

page 2

HINKLE & COMPANY PC
Strategic Business Advisors

Town Council
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, 2022 and have issued our report thereon dated May 26, 2023. 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 9, 2023, 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.

Office Locations:
Colorado Springs, CO
Denver, CO
Tulsa, OK

Denver Office:
750 W. Hampden Avenue
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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. The attached schedule summarizes uncorrected financial statement adjustments whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected adjustments or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected adjustments are immaterial to the financial statements currently under audit.

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. The attached schedule identifies the material adjustments that we identified as a result of our audit procedures, were brought to the attention of, and corrected by management:

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 May 26, 2023.

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 auditor's 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 Town Council 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
May 26, 2023