

TOWN OF MONUMENT, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2008

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Monument, Colorado, as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the Town, as listed in the table of contents. These financial statements are the responsibility of the Town of Monument, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Monument, Colorado, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

May, 2009

BASIC FINANCIAL STATEMENTS

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET ASSETS

As of December 31, 2008

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL	
			2008	2007
ASSETS				
Cash and Investments	\$ 1,182,276	\$ 532,831	\$ 1,715,107	\$ 1,994,010
Restricted Cash and Investments	1,638,853	412,087	2,050,940	3,486,603
Receivables				
Property Taxes	702,711	-	702,711	599,552
Sales and Other	846,480	-	846,480	664,223
Accounts	60	49,336	49,396	104,941
Prepaid Expenses	19,120	-	19,120	-
Capital Assets, Not Depreciated	2,166,551	3,505,376	5,671,927	4,402,662
Capital Assets, Depreciated Net of Accumulated Depreciation	7,647,218	4,446,953	12,094,171	6,186,382
TOTAL ASSETS	14,203,269	8,946,583	23,149,852	17,438,373
LIABILITIES				
Accounts Payable	327,065	17,936	345,001	565,677
Accrued Salaries and Benefits	59,145	55,872	115,017	70,905
Accrued Interest	-	44,179	44,179	57,236
Deferred Revenues	702,711	-	702,711	599,552
Developer Escrow and Deposits	62,489	9,430	71,919	268,550
Noncurrent Liabilities				
Due within One Year	414,606	141,278	555,884	567,273
Due in More Than One Year	3,352,582	1,257,892	4,610,474	5,166,683
TOTAL LIABILITIES	4,918,598	1,526,587	6,445,185	7,295,876
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,236,548	6,586,341	12,822,889	5,221,443
Restricted for Emergencies	110,429	-	110,429	123,992
Unrestricted	2,937,694	833,655	3,771,349	4,797,062
TOTAL NET ASSETS	\$ 9,284,671	\$ 7,419,996	\$ 16,704,667	\$ 10,142,497

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2008

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,343,756	\$ 137,871	\$ -	\$ -
Public Safety	1,151,651	93,179	-	-
Public Works	1,010,282	13,009	193,743	-
Parks and Recreation	54,883	16,432	-	36,415
Interest on Long-Term Debt	187,887	-	-	-
Total Governmental Activities	<u>3,748,459</u>	<u>260,491</u>	<u>193,743</u>	<u>36,415</u>
Business-Type Activities				
Water	1,365,855	741,696	-	171,000
Interest on Long-Term Debt	67,961	-	-	-
Total Business-Type Activities	<u>1,433,816</u>	<u>741,696</u>	<u>-</u>	<u>171,000</u>
Total Primary Government	<u>\$ 5,182,275</u>	<u>\$ 1,002,187</u>	<u>\$ 193,743</u>	<u>\$ 207,415</u>

GENERAL REVENUES

Sales Taxes

Property Taxes

Franchise Taxes

Other Taxes

Interest

Other

SPECIAL ITEM

Change in Accounting Principle

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET ASSETS

GOVERNMENTAL		BUSINESS-TYPE		TOTALS	
ACTIVITIES	ACTIVITIES	2008	2007	2008	2007
\$ (1,205,885)	\$ -	\$ (1,205,885)	\$ (1,075,947)		
(1,058,472)	-	(1,058,472)	(1,189,939)		
(803,530)	-	(803,530)	(570,673)		
(2,036)	-	(2,036)	(17,296)		
(187,887)	-	(187,887)	(207,176)		
(3,257,810)	-	(3,257,810)	(3,061,031)		
-	(453,159)	(453,159)	(416,081)		
-	(67,961)	(67,961)	(96,478)		
-	(521,120)	(521,120)	(512,559)		
(3,257,810)	(521,120)	(3,778,930)	(3,573,590)		
2,549,415	111,227	2,660,642	2,695,039		
665,381	-	665,381	556,315		
249,644	-	249,644	235,265		
161,084	-	161,084	43,075		
91,683	26,512	118,195	307,730		
58,861	197,148	256,009	186,627		
6,230,145	-	6,230,145	-		
10,006,213	334,887	10,341,100	4,024,051		
6,748,403	(186,233)	6,562,170	450,461		
2,536,268	7,606,229	10,142,497	9,692,036		
\$ 9,284,671	\$ 7,419,996	\$ 16,704,667	\$ 10,142,497		

TOWN OF MONUMENT, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2008

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2008	2007
ASSETS				
Cash and Investments	\$ 988,651	\$ 193,625	\$ 1,182,276	\$ 974,416
Restricted Cash and Investments	1,638,853		1,638,853	3,091,325
Property Taxes Receivable	702,711	-	702,711	599,552
Other Taxes Receivable	846,480	-	846,480	664,223
Accounts Receivable	60	-	60	52,278
Prepaid Expense	19,120	-	19,120	-
TOTAL ASSETS	\$ 4,195,875	\$ 193,625	\$ 4,389,500	\$ 5,381,794
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 327,065	\$ -	\$ 327,065	\$ 330,092
Accrued Salaries and Benefits	59,145	-	59,145	29,284
Deferred Revenues	702,711	-	702,711	599,552
Developer Escrow	62,489	-	62,489	247,946
TOTAL LIABILITIES	1,151,410	-	1,151,410	1,206,874
FUND EQUITY				
Fund Balance				
Reserved for Emergencies	110,429	-	110,429	123,992
Reserved for Capital Projects	1,968,360	-	1,968,360	3,091,325
Unreserved, reported in				
General Fund	965,676	-	965,676	786,591
Special Revenue Funds	-	193,625	193,625	173,012
TOTAL FUND EQUITY	3,044,465	193,625	3,238,090	4,174,920
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,195,875	\$ 193,625		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	9,813,769	2,559,315
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include Bonds Payable of (\$1,080,500), Capital Leases (\$2,500,596), and Accrued Compensated Absences (\$186,092).	(3,767,188)	(4,197,967)
Net assets of governmental activities	<u>\$ 9,284,671</u>	<u>\$ 2,536,268</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2008

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2008	2007
REVENUES				
Taxes	\$ 3,468,085	\$ 157,438	\$ 3,625,523	\$ 3,361,162
Licenses and Permits	-	17,155	17,155	12,930
Intergovernmental	193,744	36,415	230,159	238,862
Charges for Services	161,806	47,143	208,949	256,773
Court	34,389	-	34,389	30,529
Interest	85,237	6,444	91,681	218,985
Miscellaneous	58,861	-	58,861	600
TOTAL REVENUES	4,002,122	264,595	4,266,717	4,119,841
EXPENDITURES				
General Government	1,310,122	11,222	1,321,344	1,249,893
Public Safety	1,121,711	-	1,121,711	1,122,067
Public Works	530,291	-	530,291	578,036
Parks and Recreation	-	31,152	31,152	37,416
Debt Service				
Principal	333,404	93,500	426,904	436,020
Interest	123,949	63,938	187,887	207,176
Capital Outlay	1,540,088	44,170	1,584,258	1,222,556
TOTAL EXPENDITURES	4,959,565	243,982	5,203,547	4,853,164
NET CHANGE IN FUND BALANCES	(957,443)	20,613	(936,830)	(733,323)
FUND BALANCES, Beginning	4,001,908	173,012	4,174,920	4,908,243
FUND BALANCES, Ending	\$ 3,044,465	\$ 193,625	\$ 3,238,090	\$ 4,174,920

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

TOWN OF MONUMENT, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2008

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (936,830)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1,584,287) and addition of infrastructure (\$6,230,145), exceeded depreciation expense (\$559,978), the current period.	7,254,454
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. These include bond payments of \$93,500, payments of capital leases of \$333,404, and change in accrued compensated absences of \$3,875.	<u>430,779</u>
Change in Net Assets of Governmental Activities	<u>\$ 6,748,403</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPE
 As of December 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash and Investments	\$ 532,831	\$ 1,019,594
Restricted Cash and Investments	412,087	395,278
Accounts Receivable	49,336	52,663
	<u>994,254</u>	<u>1,467,535</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	7,952,329	8,029,729
	<u>8,946,583</u>	<u>9,497,264</u>
TOTAL ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	17,936	235,585
Accrued Expenses	55,872	41,621
Accrued Interest Payable	44,179	57,236
Lease Payable, Current Portion	6,387	12,414
Bonds Payable, Current Portion	134,891	127,976
	<u>259,265</u>	<u>474,832</u>
Noncurrent Liabilities		
Deposits	9,430	20,604
Accrued Compensated Absences	33,182	29,611
Leases Payable	-	6,387
Bonds Payable	1,224,710	1,359,601
	<u>1,267,322</u>	<u>1,416,203</u>
TOTAL LIABILITIES		
	<u>1,526,587</u>	<u>1,891,035</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	6,586,341	6,670,128
Restricted for Debt Service	412,087	395,278
Unreserved	421,568	540,823
	<u>7,419,996</u>	<u>7,606,229</u>
TOTAL NET ASSETS		
	<u>\$ 7,419,996</u>	<u>\$ 7,606,229</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE
Year Ended December 31, 2008

	<u>2008</u>	<u>2007</u>
OPERATING REVENUES		
Charges for Services	\$ 741,696	\$ 728,125
Miscellaneous Income	197,148	186,027
	<u>938,844</u>	<u>914,152</u>
OPERATING EXPENSES		
Operations and Maintenance	461,910	360,818
Administrative and General	613,355	617,304
Depreciation	290,590	373,554
	<u>1,365,855</u>	<u>1,351,676</u>
OPERATING INCOME (LOSS)	<u>(427,011)</u>	<u>(437,524)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales Taxes	111,227	112,809
Interest Income	26,512	88,744
Interest Expenses	(67,961)	(96,478)
	<u>69,778</u>	<u>105,075</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(357,233)	(332,449)
Capital Contributions	<u>171,000</u>	<u>207,470</u>
NET INCOME (LOSS)	(186,233)	(124,979)
NET ASSETS, Beginning	<u>7,606,229</u>	<u>7,731,208</u>
NET ASSETS, Ending	<u>\$ 7,419,996</u>	<u>\$ 7,606,229</u>

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

TOWN OF MONUMENT, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2008

Increase (Decrease) in Cash and Cash Equivalents

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 745,023	\$ 729,267
Cash Received from Others	197,148	186,027
Cash Paid to Suppliers	(778,127)	(519,878)
Cash Paid to Employees	(496,965)	(176,304)
Net Cash Provided (Used) by Operating Activities	<u>(332,921)</u>	<u>219,112</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales Tax Received	<u>111,227</u>	<u>112,809</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(213,190)	(1,186,269)
Bond Payments	(127,976)	(112,955)
Lease Payments	(12,414)	(11,950)
Interest Payments	(81,018)	(83,101)
Capital Contributions	171,000	207,470
Deposits returned to Customers	(11,174)	(34,414)
Net Cash Used by Capital and Related Financing Activities	<u>(274,772)</u>	<u>(1,221,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>26,512</u>	<u>88,744</u>
Net Decrease in Cash and Cash Equivalents	(469,954)	(800,554)
CASH AND CASH EQUIVALENTS, Beginning	<u>1,414,872</u>	<u>2,215,426</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 944,918</u>	<u>\$ 1,414,872</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	<u>\$ (427,011)</u>	<u>\$ (437,524)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation and Amortization	290,590	373,554
Changes in Assets and Liabilities		
Accounts Receivable	3,327	1,142
Accounts Payable	(217,649)	235,585
Accrued Expenses	14,251	35,796
Accrued Compensated Absences	3,571	10,559
Total Adjustments	<u>94,090</u>	<u>656,636</u>
Net Cash Provided by Operating Activities	<u>\$ (332,921)</u>	<u>\$ 219,112</u>

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The Town also reports the following major proprietary fund:

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

Cash and Investments

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

Capital Assets

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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

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

Compensated Absences

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

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

Long-Term Obligations

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations (Continued)

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 Assets/Fund Equity

In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Property Taxes

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

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

Comparative Data

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data (Continued)

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2008 follows:

Petty Cash	\$ 1,200
Cash Deposits	2,138,118
Investments	<u>1,626,729</u>
Total	<u>\$ 3,766,047</u>

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

Cash and Investments	\$ 1,715,107
Restricted Cash and Investments	<u>2,050,940</u>
Total	<u>\$ 3,766,047</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2008, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At December 31, 2008, the Town had deposits with financial institutions with a carrying amount of \$2,138,118. The bank balances with the financial institutions were \$2,198,118. Of these balances, \$250,000 was covered by federal depository insurance and \$1,948,118 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments

Interest Rate Risk

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

Credit Risk

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

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

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

The Town had invested \$1,626,729 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotruster is rated AAA by Standard and Poor's.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Restricted Cash

Cash is restricted for the following purposes:

Operating Reserve	\$ 371,537
Lease Proceeds for Capital Projects	1,638,853
Debt Service Reserve	<u>40,550</u>
Total	<u>\$ 2,050,940</u>

Operating Reserve – The loan agreement with the Colorado Water Resources & Power Development Authority (CWRLPDA) requires that the Town maintain a three-month operating reserve which equals \$455,280. The CWCB loan requires 10% of annual payment as a reserve or \$16,809. For this purpose, the Town has restricted cash and investments of \$371,537 at December 31, 2008.

Lease Proceeds for Capital Projects – The Wells Fargo lease proceeds for the construction of the new Governmental Facility Building are held in a money market fund until construction draws are required.

Debt Service Reserve – The 1997 Rural Economic and Community Development Loan was funded in full and converted to Water Revenue Bonds, Series 1995. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted cash in the amount of \$40,550 at December 31, 2008.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2008 is summarized below:

	<u>Balances</u> <u>12/31/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/08</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 722,290	\$ -	\$ -	\$ 722,290
Construction in Process	<u>174,996</u>	<u>1,269,265</u>	<u>-</u>	<u>1,444,261</u>
Total Capital Assets, not depreciated	<u>897,286</u>	<u>1,269,265</u>	<u>-</u>	<u>2,166,551</u>
Capital Assets, depreciated				
Buildings	351,749	-	-	351,749
Infrastructure	8,367,154	-	-	8,367,154
Furniture and Equipment	267,872	10,701	-	278,573
Vehicles and Street Equipment	1,024,079	-	-	1,024,079
Park Improvements	271,596	95,246	-	366,842
Street Improvements	<u>1,185,100</u>	<u>209,075</u>	<u>-</u>	<u>1,394,175</u>
Total Capital Assets, depreciated	<u>11,467,550</u>	<u>315,022</u>	<u>-</u>	<u>11,782,572</u>
Less Accumulated Depreciation				
Buildings	240,110	10,286	-	250,396
Infrastructure	2,137,009	278,905	-	2,415,914
Furniture and Equipment	197,099	26,784	-	223,883
Vehicles and Street Equipment	648,540	70,585	-	719,125
Park Improvements	99,688	19,266	-	118,954
Street Improvements	<u>252,930</u>	<u>154,152</u>	<u>-</u>	<u>407,082</u>
Total Accumulated Depreciation	<u>3,575,376</u>	<u>559,978</u>	<u>-</u>	<u>4,135,354</u>
Total Capital Assets, depreciated, Net	<u>7,892,174</u>	<u>(244,956)</u>	<u>-</u>	<u>7,647,218</u>
Governmental Activities, Capital Assets, Net	<u>\$ 8,789,460</u>	<u>\$ 1,024,309</u>	<u>\$ -</u>	<u>\$ 9,813,769</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4: CAPITAL ASSETS (Continued)

	<u>Balances</u> <u>12/31/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/08</u>
Business-Type Activities				
Capital Assets, not depreciated				
Water Master Plan	\$ 586,111	\$ -	\$ -	\$ 586,111
Construction in Progress	<u>2,919,265</u>	<u>-</u>	<u>-</u>	<u>2,919,265</u>
Total Capital Assets, not depreciated	<u>3,505,376</u>	<u>-</u>	<u>-</u>	<u>3,505,376</u>
Capital Assets, depreciated				
Water Rights	125,000	-	-	125,000
Alluvium Wells	420,392	-	-	420,392
Public Works Building	113,800	-	-	113,800
Iron Treatment Plant	287,854	-	-	287,854
Water Treatment Plant	1,190,324	4,021	-	1,194,345
Other Equipment	539,227	9,201	-	548,428
Slabaugh Well	191,390	-	-	191,390
Wells/Treatment	6,720,360	182,933	-	6,903,293
Transmission & Distribution	1,484,441	17,036	-	1,501,477
Vehicles	<u>222,568</u>	<u>-</u>	<u>-</u>	<u>222,568</u>
Total Capital Assets, depreciated	<u>11,295,356</u>	<u>213,191</u>	<u>-</u>	<u>11,508,547</u>
Less: Accumulated Depreciation				
Water Rights	35,000	2,500	-	37,500
Alluvium Wells	265,871	15,241	-	281,112
Public Works Building	3,793	3,793	-	7,586
Iron Treatment Plant	187,104	9,595	-	196,699
Water Treatment Plant	67,319	39,812	-	107,131
Other Equipment	441,201	22,273	-	463,474
Slabaugh Well	59,332	3,829	-	63,161
Wells/Treatment	4,203,592	154,567	-	4,358,159
Transmission & Distribution	1,330,544	20,808	-	1,351,352
Vehicles	<u>177,247</u>	<u>18,173</u>	<u>-</u>	<u>195,420</u>
Total Accumulated Depreciation	<u>6,771,003</u>	<u>290,591</u>	<u>-</u>	<u>7,061,594</u>
Total Capital Assets, depreciated, Net	<u>4,524,353</u>	<u>(77,400)</u>	<u>-</u>	<u>4,446,953</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 8,029,729</u>	<u>\$ (77,400)</u>	<u>\$ -</u>	<u>\$ 7,952,329</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 26,287
Public Safety	29,940
Public Works	480,020
Parks and Recreation	<u>23,731</u>
 Total	 <u>\$ 559,978</u>

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2008.

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/08</u>	<u>Due In</u> <u>One Year</u>
'79 GO Water Bonds	\$ 59,000	\$ -	\$ 3,500	\$ 55,500	\$ 4,000
CWR&PDA '97 GO Loan	1,115,000	-	90,000	1,025,000	90,000
Capital Leases	2,834,000	-	333,404	2,500,596	320,606
Accrued Compensated Absences	<u>189,967</u>	<u>-</u>	<u>3,875</u>	<u>186,092</u>	<u>-</u>
 Total	 <u>\$ 4,197,967</u>	 <u>\$ -</u>	 <u>\$ 430,779</u>	 <u>\$ 3,767,188</u>	 <u>\$ 414,606</u>

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

1979 GO Water Bonds – These bonds were issued to extend and improve the waterworks system. Principal and interest payments are due annually on December 1 through 2019. Interest accrues at a rate of 5.00%

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 5: LONG-TERM DEBT (Continued)

1997 Water Loan (Colorado Water Resources and Power Development Authority) –

This Loan was obtained to advance refund General Obligation Water Bonds from 1987 for water system improvements. Principal and interest payments are due semi-annually on April 1 and October 1 through 2017. Interest accrues at rates ranging from 4.10% to 5.60%.

Capital Leases

The Town has entered into several capital lease agreements to purchase equipment which will be paid from revenues of the General Fund and the Water Fund. These leases require interest to be paid ranging from 3.85% to 4.45%. These leases mature from 2008-2016.

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2008 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 94,000	\$ 59,173	\$ 153,173
2010	99,000	54,293	153,293
2011	104,000	49,057	153,057
2012	109,500	43,457	152,957
2013	119,500	37,510	157,010
2014 - 2018	547,500	80,810	628,310
2019	<u>7,000</u>	<u>350</u>	<u>7,350</u>
Total Debt Service Requirements	<u>\$1,080,500</u>	<u>\$ 324,650</u>	<u>\$1,405,150</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 5: LONG-TERM DEBT (Continued)

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2008.

Year Ended December 31,

2009	\$ 430,561
2010	388,666
2011	365,598
2012	365,598
2013	365,598
2014-2016	<u>1,096,794</u>
Total Minimum Lease Payments	3,012,815
Less: Interest	<u>(512,219)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 2,500,596</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2008.

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/08</u>	<u>Due In</u> <u>One Year</u>
'95 GO Water Refunding					
Bonds	\$ 287,300	\$ -	\$ 25,900	\$ 261,400	\$ 27,200
2002 CWCB Loan	1,200,277	-	102,076	1,098,201	107,691
Capital Leases	18,801	-	12,414	6,387	6,387
Compensated Absences	<u>29,611</u>	<u>3,571</u>	<u>-</u>	<u>33,182</u>	<u>-</u>
Total	<u>\$ 1,535,989</u>	<u>\$ 3,571</u>	<u>\$ 140,390</u>	<u>\$ 1,399,170</u>	<u>\$ 141,278</u>

1995 GO Water Refunding Bonds – These bonds were issued to refund the 1997 Rural Economic and Community Development Loan. Principal and interest payments are due semi-annually on June 1 and December 1, through 2016. Interest accrues at 5.125%. This obligation requires that a reserve account be established, to be increased by \$4,055 each year until the amount of the reserve is equal to \$40,550. In accordance with this requirement, the Town has restricted cash in the amount of \$40,550 at December 31, 2007.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 5: LONG-TERM DEBT (Continued)

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

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds at December 31, 2008 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 134,891	\$ 73,454	\$ 208,345
2010	142,214	66,119	208,333
2011	149,962	58,384	208,346
2012	158,155	50,229	208,384
2013	166,710	41,629	208,339
2014-2017	<u>607,669</u>	<u>71,315</u>	<u>678,984</u>
Total Debt Service Requirements	<u>\$1,359,601</u>	<u>\$ 361,130</u>	<u>\$1,720,731</u>

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2008.

<u>Year Ended December 31,</u>	
2009	6,509
Less: Interest	<u>(122)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 6,387</u>

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 6: RETIREMENT COMMITMENTS

Supplemental Death and Disability Plan

Death and disability coverage is provided for members through the Statewide Death and Disability Plan, a multi-employer defined contribution plan, which is administered by the Colorado Fire and Police Pension Association. All full-time, paid police officers of the Town are members of the Plan. The State Legislature establishes benefit provisions of the Plan. The total contribution required is 2.6% of each participating employee's covered salary. During the year ended December 31, 2008, the Town and employee contributions were \$9,700, equal to the required contribution.

Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Town employees and permits them to defer a portion of their salary until future years. The Town matches employee contributions up to 5% of eligible salary. During the year ended December 31, 2008, the Town contributions were \$78,548, equal to the required contribution. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 7: PUBLIC ENTITY RISK POOL

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

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.

TOWN OF MONUMENT, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 7: PUBLIC ENTITY RISK POOL (Continued)

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

NOTE 8: COMMITMENTS AND CONTINGENCIES

Monument Lake and Dam

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

Tabor Amendment

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

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2008, the emergency reserve of \$110,429 was recorded in the General Fund.

NOTE 9: CHANGE IN ACCOUNTING PRINCIPLE

In accordance with the requirements of the Governmental Accounting Standards Board Statement 34, the City has included all infrastructure assets in these financial statements. This resulted in an increase in governmental activities net assets of \$6,230,145.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MONUMENT, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2008

	2008			VARIANCE	2007 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Taxes	\$ 3,563,156	\$ 3,807,336	\$ 3,468,085	\$ (339,251)	\$ 3,193,849
Charges for Services	192,954	116,574	161,806	45,232	201,048
Intergovernmental	404,400	408,934	193,744	(215,190)	204,712
Court	28,900	36,125	34,389	(1,736)	30,529
Interest	137,000	137,000	85,237	(51,763)	194,698
Miscellaneous	-	-	58,861	58,861	600
TOTAL REVENUES	<u>4,326,410</u>	<u>4,505,969</u>	<u>4,002,122</u>	<u>(503,847)</u>	<u>3,825,436</u>
EXPENDITURES					
Current					
General Government	1,280,557	1,339,311	1,310,122	29,189	1,236,882
Public Safety	1,178,904	1,220,316	1,121,711	98,605	1,122,067
Public Works	598,434	594,034	530,291	63,743	578,036
Capital Outlay	894,159	2,617,540	1,540,088	1,077,452	873,540
Debt Service					
Principal	333,404	333,404	333,404	-	337,520
Interest	123,949	123,949	123,949	-	138,363
TOTAL EXPENDITURES	<u>4,409,407</u>	<u>6,228,554</u>	<u>4,959,565</u>	<u>1,268,989</u>	<u>4,286,408</u>
NET CHANGE IN FUND BALANCE	(82,997)	(1,722,585)	(957,443)	765,142	(460,972)
FUND BALANCE, Beginning	<u>657,130</u>	<u>2,167,059</u>	<u>4,001,908</u>	<u>1,834,849</u>	<u>4,462,880</u>
FUND BALANCE, Ending	<u>\$ 574,133</u>	<u>\$ 444,474</u>	<u>\$ 3,044,465</u>	<u>\$ 2,599,991</u>	<u>\$ 4,001,908</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2008

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>COMMUNITY DEVELOPMENT FUND</u>	<u>CONSERVATION TRUST FUND</u>	<u>TRAFFIC IMPACT FEE FUND</u>	<u>STORM DRAINAGE IMPACT FEE FUND</u>
ASSETS				
Cash and Investments	<u>\$ 4,376</u>	<u>\$ 5,734</u>	<u>\$ 143,345</u>	<u>\$ 40,170</u>
FUND BALANCES				
Unreserved, Reported in Special Revenue Funds	<u>4,376</u>	<u>5,734</u>	<u>143,345</u>	<u>40,170</u>
TOTAL FUND BALANCES	<u>\$ 4,376</u>	<u>\$ 5,734</u>	<u>\$ 143,345</u>	<u>\$ 40,170</u>

See the accompanying independent auditors' report.

DEBT SERVICE FUND	TOTALS	
	2008	2007
\$ -	\$ 193,625	\$ 173,012
-	193,625	173,012
\$ -	\$ 193,625	\$ 173,012

TOWN OF MONUMENT, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2008

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT FUND	CONSERVATION TRUST FUND	TRAFFIC IMPACT FEE FUND	STORM DRAINAGE IMPACT FEE FUND
REVENUES				
Licenses and Permits	\$ 17,155	\$ -	\$ -	\$ -
Intergovernmental	-	36,415	-	-
Charges for Services	-	-	38,384	8,759
Sales Tax	-	-	-	-
Interest	844	140	4,099	1,361
TOTAL REVENUES	<u>17,999</u>	<u>36,555</u>	<u>42,483</u>	<u>10,120</u>
EXPENDITURES				
General Government	11,222	-	-	-
Parks and Recreation	-	31,152	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	44,170	-	-	-
TOTAL EXPENDITURES	<u>55,392</u>	<u>31,152</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	(37,393)	5,403	42,483	10,120
FUND BALANCES, Beginning	<u>41,769</u>	<u>331</u>	<u>100,862</u>	<u>30,050</u>
FUND BALANCES, Ending	<u>\$ 4,376</u>	<u>\$ 5,734</u>	<u>\$ 143,345</u>	<u>\$ 40,170</u>

See the accompanying independent auditors' report.

DEBT SERVICE FUND	TOTALS	
	2008	2007
\$ -	\$ 17,155	\$ 12,930
-	36,415	34,150
-	47,143	55,725
157,438	157,438	167,313
-	6,444	24,287
<u>157,438</u>	<u>264,595</u>	<u>294,405</u>
-	11,222	13,011
-	31,152	37,416
93,500	93,500	98,500
63,938	63,938	68,813
-	44,170	349,016
<u>157,438</u>	<u>243,982</u>	<u>566,756</u>
-	20,613	(272,351)
-	173,012	445,363
<u>\$ -</u>	<u>\$ 193,625</u>	<u>\$ 173,012</u>

TOWN OF MONUMENT, COLORADO

COMMUNITY DEVELOPMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2008

	2008			VARIANCE Positive (Negative)	2007 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Business Licenses	\$ 16,000	\$ 16,000	\$ 17,155	\$ 1,155	\$ 12,930
Interest	1,924	1,924	844	(1,080)	1,999
TOTAL REVENUES	<u>17,924</u>	<u>17,924</u>	<u>17,999</u>	<u>75</u>	<u>14,929</u>
EXPENDITURES					
General Government	13,876	15,146	11,222	3,924	13,011
Capital Outlay	4,048	44,547	44,170	377	2,915
TOTAL EXPENDITURES	<u>17,924</u>	<u>59,693</u>	<u>55,392</u>	<u>4,301</u>	<u>15,926</u>
NET CHANGE IN FUND BALANCE	-	(41,769)	(37,393)	4,376	(997)
FUND BALANCE, Beginning	-	41,769	41,769	-	42,766
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,376</u>	<u>\$ 4,376</u>	<u>\$ 41,769</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2008

	2008		VARIANCE Positive (Negative)	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Lottery Revenues	\$ 34,787	\$ 36,415	\$ 1,628	\$ 34,150
Interest	150	140	(10)	269
TOTAL REVENUES	<u>34,937</u>	<u>36,555</u>	<u>1,618</u>	<u>34,419</u>
EXPENDITURES				
Parks and Recreation	<u>35,268</u>	<u>31,152</u>	<u>4,116</u>	<u>37,416</u>
TOTAL EXPENDITURES	<u>35,268</u>	<u>31,152</u>	<u>4,116</u>	<u>37,416</u>
NET CHANGE IN FUND BALANCE	(331)	5,403	5,734	(2,997)
FUND BALANCE, Beginning	<u>331</u>	<u>331</u>	-	<u>3,328</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 5,734</u>	<u>\$ 5,734</u>	<u>\$ 331</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

TRAFFIC IMPACT FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2008

	2008			VARIANCE Positive (Negative)	2007 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Traffic Impact Fees	\$ 35,000	\$ 28,792	\$ 38,384	\$ 9,592	\$ 34,196
Interest	12,754	12,754	4,099	(8,655)	14,460
TOTAL REVENUES	<u>47,754</u>	<u>41,546</u>	<u>42,483</u>	<u>937</u>	<u>48,656</u>
EXPENDITURES					
Capital Outlay	<u>47,754</u>	<u>142,408</u>	<u>-</u>	<u>142,408</u>	<u>244,413</u>
NET CHANGE IN FUND BALANCE	-	(100,862)	42,483	143,345	(195,757)
FUND BALANCE, Beginning	<u>-</u>	<u>100,862</u>	<u>100,862</u>	<u>-</u>	<u>296,619</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,345</u>	<u>\$ 143,345</u>	<u>\$ 100,862</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

STORM DRAINAGE IMPACT FEE
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2008

	2008			VARIANCE Positive (Negative)	2007 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Storm Drainage Impact Fees	\$ 20,000	\$ 15,953	\$ 8,759	\$ (7,194)	\$ 21,529
Interest	9,114	9,114	1,361	(7,753)	7,559
TOTAL REVENUES	<u>29,114</u>	<u>25,067</u>	<u>10,120</u>	<u>(14,947)</u>	<u>29,088</u>
EXPENDITURES					
Capital Outlay	<u>29,114</u>	<u>55,117</u>	<u>-</u>	<u>55,117</u>	<u>101,688</u>
TOTAL EXPENDITURES	<u>29,114</u>	<u>55,117</u>	<u>-</u>	<u>55,117</u>	<u>101,688</u>
NET CHANGE IN FUND BALANCE	-	(30,050)	10,120	40,170	(72,600)
FUND BALANCE, Beginning	<u>-</u>	<u>30,050</u>	<u>30,050</u>	<u>-</u>	<u>102,650</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,170</u>	<u>\$ 40,170</u>	<u>\$ 30,050</u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2008

	2008		VARIANCE Positive (Negative)	2007 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sales Tax	\$ 157,438	\$ 157,438	\$ -	\$ 167,313
TOTAL REVENUES	<u>157,438</u>	<u>157,438</u>	<u>-</u>	<u>167,313</u>
EXPENDITURES				
Debt Service				
Principal	93,500	93,500	-	98,500
Interest	<u>63,938</u>	<u>63,938</u>	<u>-</u>	<u>68,813</u>
TOTAL EXPENDITURES	<u>157,438</u>	<u>157,438</u>	<u>-</u>	<u>167,313</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See the accompanying independent auditors' report.

TOWN OF MONUMENT, COLORADO

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2008

	2008			VARIANCE	2007
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Charges for Services	\$ 766,042	\$ 766,042	\$ 741,696	\$ (24,346)	\$ 728,125
Sales Tax	131,947	131,947	111,227	(20,720)	112,809
Tap Fees	279,068	279,068	171,000	(108,068)	207,470
Investment Income	109,855	109,855	26,512	(83,343)	88,744
Triview Metropolitan District Water IGA	193,000	193,000	192,984	(16)	180,000
Other Revenues	5,333	5,333	4,164	(1,169)	6,027
TOTAL REVENUES	<u>1,485,245</u>	<u>1,485,245</u>	<u>1,247,583</u>	<u>(237,662)</u>	<u>1,323,175</u>
EXPENDITURES					
Operations and Maintenance	544,381	635,802	461,910	173,892	360,818
Administration and General	522,671	522,671	613,355	(90,684)	617,304
Capital Outlay	100,000	669,381	213,191	456,190	1,866,181
Debt Service					
Principal	140,390	140,390	140,390	-	124,905
Interest	81,016	81,016	67,961	13,055	96,478
TOTAL EXPENDITURES	<u>1,388,458</u>	<u>2,049,260</u>	<u>1,496,807</u>	<u>552,453</u>	<u>3,065,686</u>
NET INCOME, Budget Basis	<u>\$ 96,787</u>	<u>\$ (564,015)</u>	(249,224)	<u>\$ 314,791</u>	(1,742,511)
GAAP BASIS ADJUSTMENTS					
Capital Outlay			213,191		1,866,181
Depreciation			(290,590)		(373,554)
Principal Paid on Long-Term Debt			140,390		124,905
NET INCOME, GAAP Basis			(186,233)		(124,979)
NET ASSETS, Beginning			<u>7,606,229</u>		<u>7,731,208</u>
NET ASSETS, Ending			<u>\$ 7,419,996</u>		<u>\$7,606,229</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE