

TOWN OF HUGO, COLORADO
FINANCIAL STATEMENTS
REPORT OF CERTIFIED PUBLIC ACCOUNTANT
YEAR ENDED DECEMBER 31, 2016



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Independent Auditor's Report

To the Honorable Mayor and the Board of Trustees
Town of Hugo, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hugo, Colorado, as of and for the year ended December 31, 2016, and the notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hugo, Colorado, as of December 31, 2016 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 7, the budgetary comparison information on pages 28 to 30 and the Volunteer Firemen Pension Plan schedules on page 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Hugo, Colorado's basic financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and the local highway finance report are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Bain + Jones, CPAs

Louisville, Colorado
June 1, 2017

TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016

The Town of Hugo is a statutory town, incorporated in 1909 and organized under the laws of the State of Colorado. The legislative and corporate authority of the Town is vested in a board of trustees, consisting of one elected mayor and six elected trustees. The mayor does not vote on matters before the board of trustees except in the case of a tie. The board approves the hiring of all town staff. The board appoints a town manager/clerk/treasurer who is responsible for preparing the annual budget, which is adopted by the board.

The Town's population is approximately 720. The town provides water, sewer, trash and street light service, police, recreation, public works, cemetery, a library, and a variety of other services.

The primary sources of revenue for the Town are the locally established and county collected property tax, which totals approximately 25% of general fund revenues and sales taxes which total approximately 26% of general fund revenues. Various other taxes, fees and court fines make up the balance of general fund revenues. Charges for services make the Town's business-type activities self-funding.

Financial Highlights

The Town's total net position increased \$63,354 (net income) as a result of this year's operations. Net position of governmental activities increased \$32,493; and net position of business-type activities increased \$30,861.

Total revenue decreased by \$34,277 this year while expenses increased by \$45,003. The decrease in revenue for 2016 was due to a combination of decreases in charges for services; and decreases in taxes collected, court fines and other revenue. The expense increase was due to across the board increases in all funds except the sewer fund. Expenses increased while revenues decreased, resulting in a decrease in net income compared to the previous year.

The Town expended \$166,276 on capital assets during the year, excluding expenditures for routine maintenance. See the capital asset discussion later in this narrative.

Using the Basic Financial Statements

The basic financial statements consist of Management's Discussion and Analysis (this section) and a series of financial statements, with notes to those statements. These financial statements are organized so that the reader can understand the Town as an entire operating entity. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. The fund financial statements tell how the various services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about each of the Town's funds.

One of the most important questions asked about the Town's finances is "Is the Town better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town in a way that helps answer this question. These statements include **all** assets and liabilities using the **accrual basis of accounting**, which is similar to accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

**TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016**

These two statements report the Town's **net position** and how it changes. You can think of the Town's net position, the difference between assets, what the Town owns, and liabilities, what the Town owes, as one way to measure the Town's financial health, or **financial position**. Over time, **increases or decreases** in the Town's net position are one indicator of whether its **financial health** is improving or deteriorating.

The change in net position is important because it tells the reader whether the Town has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. You will need to consider nonfinancial factors such as changes in the condition of the buildings and grounds, changes in the Town's property tax base and the condition of the Town's streets and roads, to assess the **overall health** of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental activities - Most of the Town's basic services are reported here, including police, public works, parks and recreation, and general administration. Property taxes, sales taxes, other taxes, franchise fees and other fees and fines finance most of these activities.

Business-type activities - the Town charges fees to customers to help it cover all the cost of certain services it provides. The Town's water and sewer system, solid waste disposal and street light operations are reported here.

Reporting the Town's Most Significant Funds

The Town's fund financial statements begin on page 10 and provide detailed information about all of the Town's funds, not the Town as a whole. Some funds are required to be established by state law, while the board of trustees establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for certain taxes, grants, etc. The Town's two kinds of funds - **governmental** and **proprietary** - use different accounting approaches.

Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in Reconciliation on page FF-13.

Proprietary funds - When the Town charges customers for services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016**

Reporting the Town's Fiduciary Responsibilities

The Town is a fiduciary for its volunteer fire department's pension plan. It is responsible for assets that - because of the state statute - can be used only for the pension beneficiaries. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 17 and 18. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in this fund are used for their intended purpose.

The Town as a Whole

Table 1
Net Position

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current assets	\$1,632,858	\$1,635,294
Net capital assets	<u>1,745,445</u>	<u>1,672,553</u>
Total assets	<u>3,378,303</u>	<u>3,307,847</u>
 <u>Liabilities</u>		
Current liabilities	(67,372)	(63,095)
Long term liabilities	<u>0</u>	<u>0</u>
Total liabilities	<u>(67,372)</u>	<u>(63,095)</u>
 <u>Deferred Inflows</u>		
Deferred revenue – property taxes	<u>(128,126)</u>	<u>(125,301)</u>
 <u>Net Position</u>		
Invested in capital assets	1,745,445	1,672,553
Restricted for emergencies (TABOR)	15,990	15,990
Unrestricted	<u>1,421,370</u>	<u>1,430,908</u>
Total net position	<u>\$3,182,805</u>	<u>\$3,119,451</u>

**TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016**

Table 2
Change in Net Position

	<u>2016</u>	<u>2015</u>
<u>Revenues</u>		
Program Revenues		
Charges for services	\$358,387	\$365,028
Grants and contributions	8,083	6,928
General Revenues		
Property taxes	125,575	121,202
Sales taxes	130,858	138,170
Other taxes	130,962	130,064
Other revenue	<u>115,094</u>	<u>141,844</u>
Total revenue	<u>868,959</u>	<u>903,236</u>
<u>Expenses</u>		
General government	97,425	95,821
Public safety	107,863	100,986
Public works	57,359	54,283
Health and welfare	76,973	67,663
Culture and recreation	60,529	55,078
Depreciation and miscellaneous	86,982	75,357
Water fund	167,611	159,428
Sewer fund	64,520	69,102
Solid waste disposal fund	71,774	69,099
Street light fund	<u>14,569</u>	<u>13,785</u>
Total expenses	<u>805,605</u>	<u>760,602</u>
<u>Change in net position</u>	63,354	142,634
Net position - beginning of year	<u>3,119,451</u>	<u>2,976,817</u>
Net position - end of year	<u>\$3,182,805</u>	<u>\$3,119,451</u>

These two tables show that the town's total net position increased in 2016 by \$63,354. This is due primarily to an increase in capital assets as a result of street paving and an increase in charges for services. *Unrestricted* net position - the part of net position that can be used to finance day-to-day operations without constraints of TABOR or other legal requirements - decreased by \$9,538 or .7%.

In 2016 the change in net position from governmental activities equaled \$32,493; and the change in net position from business-type activities equaled \$30,861. Remember that these numbers are based on accrual accounting wherein capital outlay is not shown as expense in the year of purchase, but is depreciated over the estimated useful lives of the capital assets. Government accounting standards require that we capitalize street improvements, which accounts for much of the change in net position from governmental activities.

**TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016**

Capital Assets

As of December 31, 2016, the Town had a total of \$3,336,934 invested in land and improvements, buildings, service vehicles, and office and maintenance equipment. As of December 31, 2015 the total was \$3,170,658. The increase is summarized as follows:

Street paving, curb and gutter	\$101,881
Office equipment and furniture	3,556
Maintenance equipment	25,228
Law enforcement equipment	748
Street lights	1,580
Sewer fund building and equipment	1,738
Water tower improvements	<u>31,545</u>
	<u>\$166,276</u>

Depreciation expense of \$93,384 was recorded this year, \$76,742 in governmental activities and \$16,642 in business-type activities.

Street improvements are budgeted for based on projected sales tax receipts. If sales taxes do not meet budgeted levels, the street plan is revised and no debt is incurred.

Debt Administration

As of December 31, 2016 and 2015 the Town had no outstanding debt. It is the Town's policy to finance all capital purchases from current resources or cash reserves.

The Future of the Town

The Town of Hugo continues to maintain a strong financial position. During 2016 the Town was able to continue its commitment to new storm drainage and street paving by completing 1,000 feet of curb and gutter installation, chip seal on three streets and overlay on two additional blocks of streets.

Modest growth in both revenues and expenditures is expected for 2016. Based on currently available information, it is believed that the Town is well positioned to meet the current and future needs of its citizens.

Request for Information

This financial report is designed to provide the reader with a general overview of the Town's finances. Questions concerning any information provided in this report or requests for further information should be directed to the Town at the following address:

Town of Hugo, Colorado
PO Box 367
Hugo, CO 80821-0367

TOWN OF HUGO, COLORADO
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 461,522	\$ 254,486	\$ 716,008
Certificates of deposit	311,548	316,345	627,893
Receivables	201,236	87,721	288,957
Capital assets, net of depreciation	1,369,005	376,440	1,745,445
Total assets	2,343,311	1,034,992	3,378,303
LIABILITIES			
Accounts payable	4,599	3,903	8,502
Customer deposits		58,870	58,870
Total liabilities	4,599	62,773	67,372
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	128,126	-	128,126
NET POSITION			
Net investment in capital assets	1,369,005	376,440	1,745,445
Restricted for emergencies	15,990		15,990
Unrestricted	825,591	595,779	1,421,370
Total net position	\$ 2,210,586	\$ 972,219	\$ 3,182,805

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government						
General government	\$ 97,425	\$ -	\$ -	\$ (97,425)	\$ -	\$ (97,425)
Public safety	107,863			(107,863)		(107,863)
Public works	57,359			(57,359)		(57,359)
Health and welfare	76,973	1,065		(75,908)		(75,908)
Culture and recreation	60,529	7,722	8,083	(44,724)		(44,724)
Depreciation	76,742			(76,742)		(76,742)
Miscellaneous	10,240			(10,240)		(10,240)
Total governmental activities	<u>487,131</u>	<u>8,787</u>	<u>8,083</u>	<u>(470,261)</u>	<u>-</u>	<u>(470,261)</u>
Business-type activities						
Water	167,611	189,683			22,072	22,072
Sewer	64,520	67,891			3,371	3,371
Solid waste disposal	71,774	75,236			3,462	3,462
Street lights	14,569	16,790			2,221	2,221
Total business-type activities	<u>318,474</u>	<u>349,600</u>	<u>-</u>	<u>-</u>	<u>31,126</u>	<u>31,126</u>
Total primary government	<u>\$ 805,605</u>	<u>\$ 358,387</u>	<u>\$ 8,083</u>	<u>(470,261)</u>	<u>31,126</u>	<u>(439,135)</u>
General revenues						
Taxes						
Property taxes				125,575		125,575
Sales taxes				130,858		130,858
Franchise taxes				62,463		62,463
Other taxes				72,402		72,402
Licenses and permits				2,848		2,848
Fines				35,559		35,559
Interest				1,640	1,025	2,665
Miscellaneous				64,409	7,710	72,119
Transfers				7,000	(9,000)	(2,000)
Total general revenues and transfers				<u>502,754</u>	<u>(265)</u>	<u>502,489</u>
Change in net position				32,493	30,861	63,354
Net position - beginning of the year				<u>2,178,093</u>	<u>941,358</u>	<u>3,119,451</u>
Net position - end of the year				<u>\$ 2,210,586</u>	<u>\$ 972,219</u>	<u>\$ 3,182,805</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2016

	General	Special Revenue	Totals
ASSETS			
Cash on hand and in banks	\$ 406,780	\$ 54,742	\$ 461,522
Certificates of deposit	311,548		311,548
Taxes receivable	150,046	-	150,046
Note receivable	51,190		51,190
	<u>\$ 919,564</u>	<u>\$ 54,742</u>	<u>\$ 974,306</u>
 TOTAL ASSETS			
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,599	\$ -	\$ 4,599
Deferred revenue	128,126		128,126
	<u>132,725</u>	<u>-</u>	<u>132,725</u>
 TOTAL LIABILITIES			
 FUND BALANCES			
Restricted	15,990		15,990
Unassigned	770,849	54,742	825,591
	<u>786,839</u>	<u>54,742</u>	<u>841,581</u>
 TOTAL FUND BALANCES			
 TOTAL LIABILITIES AND FUND BALANCES			
	<u>\$ 919,564</u>	<u>\$ 54,742</u>	<u>\$ 974,306</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2016**

Total governmental fund balances (from Page 10)	\$ 841,581
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>1,369,005</u>
Total net position of governmental activities (see Page 8)	<u>\$ 2,210,586</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	General	Special Revenue	Totals
Revenues:			
Taxes	\$ 328,631	\$ -	\$ 328,631
Licenses and permits	2,848		2,848
Intergovernmental	62,667	8,083	70,750
Charges for services	8,787		8,787
Fines and forfeitures	32,948	2,611	35,559
Interest	1,620	20	1,640
Miscellaneous	60,309	4,100	64,409
Total revenues	<u>497,810</u>	<u>14,814</u>	<u>512,624</u>
Expenditures:			
General government	100,981		100,981
Public safety	107,234	1,377	108,611
Public works	173,160		173,160
Health and welfare	76,973		76,973
Culture and recreation	32,790	27,739	60,529
Miscellaneous	10,240		10,240
Total expenditures	<u>501,378</u>	<u>29,116</u>	<u>530,494</u>
Excess (deficiency) of revenues over expenditures	<u>(3,568)</u>	<u>(14,302)</u>	<u>(17,870)</u>
Other financing sources (uses):			
Transfer in	9,000	17,000	26,000
Transfer out	<u>(19,000)</u>	<u>-</u>	<u>(19,000)</u>
Total other financing sources	<u>(10,000)</u>	<u>17,000</u>	<u>7,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(13,568)	2,698	(10,870)
Fund balances - beginning of the year	<u>800,407</u>	<u>52,044</u>	<u>852,451</u>
Fund balances - end of the year	<u>\$ 786,839</u>	<u>\$ 54,742</u>	<u>\$ 841,581</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

Net change in fund balances - total governmental funds (from Page 12) \$ (10,870)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, summarized as follows:

Total governmental funds capital outlay	120,105	
Total governmental funds depreciation	<u>(76,742)</u>	<u>43,363</u>
Change in net position of governmental activities (see Page 9)		<u><u>\$ 32,493</u></u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

Business-type Activities -
Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste Disposal</u>	<u>Street Light</u>	<u>Totals</u>
Assets					
Current assets					
Cash on hand and in banks	\$ 91,046	\$ 95,327	\$ 33,407	\$ 34,706	\$ 254,486
Certificates of deposit	148,600	71,164	96,581		316,345
Accounts receivable	46,397	17,456	19,533	4,335	87,721
Total current assets	<u>286,043</u>	<u>183,947</u>	<u>149,521</u>	<u>39,041</u>	<u>658,552</u>
Capital assets					
Land	17,969	14,293			32,262
Buildings and equipment	123,489	20,309	53,653		197,451
Distribution/collection systems	379,135	155,625		4,187	538,947
Less accumulated depreciation	<u>(262,906)</u>	<u>(75,315)</u>	<u>(53,653)</u>	<u>(346)</u>	<u>(392,220)</u>
Total capital assets	<u>257,687</u>	<u>114,912</u>	<u>-</u>	<u>3,841</u>	<u>376,440</u>
Total Assets	<u><u>\$ 543,730</u></u>	<u><u>\$ 298,859</u></u>	<u><u>\$ 149,521</u></u>	<u><u>\$ 42,882</u></u>	<u><u>\$ 1,034,992</u></u>
Liabilities and Net Position					
Liabilities					
Accounts payable	\$ 1,307	\$ 344	\$ 1,040	\$ 1,212	\$ 3,903
Customer deposits	58,870				58,870
Total Liabilities	<u>60,177</u>	<u>344</u>	<u>1,040</u>	<u>1,212</u>	<u>62,773</u>
Net Position					
Net investment in capital assets	257,687	114,912		3,841	376,440
Unrestricted	<u>225,866</u>	<u>183,603</u>	<u>148,481</u>	<u>37,829</u>	<u>595,779</u>
Total Net Position	<u>483,553</u>	<u>298,515</u>	<u>148,481</u>	<u>41,670</u>	<u>972,219</u>
Total Liabilities and Net Position	<u><u>\$ 543,730</u></u>	<u><u>\$ 298,859</u></u>	<u><u>\$ 149,521</u></u>	<u><u>\$ 42,882</u></u>	<u><u>\$ 1,034,992</u></u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2016

Business-type Activities -
Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste Disposal</u>	<u>Street Light</u>	<u>Totals</u>
Operating revenues					
Charges for service	\$ 189,683	\$ 67,891	\$ 75,236	\$ 16,790	\$ 349,600
Other	7,710	-			7,710
Total operating revenues	<u>197,393</u>	<u>67,891</u>	<u>75,236</u>	<u>16,790</u>	<u>357,310</u>
Operating expenses					
Salaries and employee benefits	108,249	45,736	52,068		206,053
Materials and supplies	2,322	13,706		-	16,028
Repairs and maintenance	22,917		7,841		30,758
Heat, power, lights and fuel	11,675	2,214	2,017	14,439	30,345
Audit and publication	1,800				1,800
Insurance	7,000				7,000
Depreciation	13,648	2,864	-	130	16,642
Other	-		9,848		9,848
Total operating expenses	<u>167,611</u>	<u>64,520</u>	<u>71,774</u>	<u>14,569</u>	<u>318,474</u>
Operating income	<u>29,782</u>	<u>3,371</u>	<u>3,462</u>	<u>2,221</u>	<u>38,836</u>
Other income (expense)					
Interest income	472	330	223	-	1,025
Total other income	<u>472</u>	<u>330</u>	<u>223</u>	<u>-</u>	<u>1,025</u>
Income before transfers	30,254	3,701	3,685	2,221	39,861
Transfer to other funds	<u>(5,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>		<u>(9,000)</u>
Change in net position	25,254	1,701	1,685	2,221	30,861
Net position - beginning of the year	458,299	296,814	146,796	39,449	941,358
Net position - end of the year	<u>\$ 483,553</u>	<u>\$ 298,515</u>	<u>\$ 148,481</u>	<u>\$ 41,670</u>	<u>\$ 972,219</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2016

Business-type Activities -
Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste Disposal</u>	<u>Street Light</u>	<u>Totals</u>
Cash Flows From Operating Activities					
Receipts from customers	\$ 203,851	\$ 68,243	\$ 75,129	\$ 16,919	\$ 364,142
Payments to employees and suppliers	(154,875)	(61,651)	(71,644)	(14,386)	(302,556)
Net cash flows from operating activities	<u>48,976</u>	<u>6,592</u>	<u>3,485</u>	<u>2,533</u>	<u>61,586</u>
Cash Flows From Noncapital Financing Activities					
Transfer to other funds	(5,000)	(2,000)	(2,000)	-	(9,000)
Cash Flows From Capital and Related Financing Activities					
Capital outlay	(41,845)	(2,747)	-	(1,580)	(46,172)
Cash Flows From Investing Activities					
(Purchase) redeem certificates of deposit	(312)	(142)	(194)		(648)
Earnings on investments	472	330	223		1,025
Net cash flows from investing activities	<u>160</u>	<u>188</u>	<u>29</u>	<u>-</u>	<u>377</u>
Net increase (decrease) in cash	2,291	2,033	1,514	953	6,791
Cash, beginning of the year	<u>88,755</u>	<u>93,294</u>	<u>31,893</u>	<u>33,753</u>	<u>247,695</u>
Cash, end of the year	<u>\$ 91,046</u>	<u>\$ 95,327</u>	<u>\$ 33,407</u>	<u>\$ 34,706</u>	<u>\$ 254,486</u>
Operating income (loss)	\$ 29,782	\$ 3,371	\$ 3,462	\$ 2,221	\$ 38,836
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	13,648	2,864	-	130	16,642
(Increase) decrease in accounts receivable	1,953	352	(107)	129	2,327
Increase (decrease) in accounts payable	(912)	5	130	53	(724)
Increase (decrease) in customer deposits	4,505				4,505
Net cash flows from operating activities	<u>\$ 48,976</u>	<u>\$ 6,592</u>	<u>\$ 3,485</u>	<u>\$ 2,533</u>	<u>\$ 61,586</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
VOLUNTEER FIREMAN PENSION PLAN
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2016**

Assets	
Cash on hand and in banks	\$ 5,928
Certificate of deposit	<u>71,807</u>
 Total assets	 <u><u>\$ 77,735</u></u>
 Net position restricted for pensions	 <u><u>\$ 77,735</u></u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
VOLUNTEER FIREMAN PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended December 31, 2016**

Additions	
Interest	\$ 147
Contributions: State	<u>1,505</u>
Total additions	<u>1,652</u>
Deductions	
Pensions paid	<u>3,120</u>
Total deductions	<u>3,120</u>
	<u>(1,468)</u>
Other financing sources (uses)	
Transfer from general fund	<u>2,000</u>
Total other financing sources (uses)	<u>2,000</u>
Net increase in net position	532
Net position restricted for pensions- beginning of the year	<u>77,203</u>
Net position restricted for pensions- end of the year	<u><u>\$ 77,735</u></u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Town of Hugo is a statutory town, incorporated in 1909 and organized under the laws of the State of Colorado. The legislative and corporate authority of the Town is vested in a board of trustees, consisting of one elected mayor and six elected trustees. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The more significant of the Town's accounting policies are described below.

Financial Reporting Entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and the significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the fund types and account groups of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The nucleus of a financial reporting entity usually is a primary government. However, a governmental organization other than a primary government (such as a component unit, joint venture, jointly governed organization, or another stand-alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

The Town of Hugo has examined other entities and there are no other entities that should be included as defined in numbers two and three above.

There is a housing authority within the Town of Hugo. The housing authority operates as an independent entity and does not meet the criteria to be a component unit.

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Town as a whole excluding fiduciary activities such as volunteer pension plans. Individual funds are not displayed but the statements distinguish governmental activities supported by taxes and Town general revenues from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Town's services; and (2) operating grants and contributions which finance annual operating activities. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide statements use the *economic resources measurement focus* and the *accrual basis of accounting*, as do the proprietary fund financial statements; including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the related cash flows. Property tax revenues are recognized 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.

The modified accrual basis of accounting is followed for the governmental funds. Under this method, expenditures, other than interest on long-term debt, are recorded when incurred, and revenues are recognized in the accounting period in which they are received, unless susceptible to accrual, i.e., measurable and available to finance the Town's operations. Significant revenue sources include property taxes, specific ownership taxes, franchise taxes, sales taxes, vehicle registration fees, highway user taxes, county road and bridge taxes, and charges for services. Revenue sources susceptible to accrual include property taxes, specific ownership taxes, franchise taxes, vehicle registration fees, highway user taxes and charges for services.

The accrual basis is followed by the proprietary fund. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

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

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures.

The Town reports the following fund types and other financial statements:

Governmental Funds

The Town reports the following major governmental funds:

General Fund - to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. The Conservation Trust Fund, Library Fund and Law Enforcement Assistance Fund are classified as Special Revenue Funds.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Proprietary Funds

Major Enterprise Funds - to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Sewer Fund, Water Fund, Solid Waste Disposal Fund and Street Light Fund are classified as Major Enterprise Funds.

Other Financial Statements

The Town also reports the following:

Statements of Fiduciary Net Position and Changes in Fiduciary Net Position - to account for the Volunteer Firemen Pension Plan.

Budgets and Encumbrance

A proposed budget for the succeeding year is submitted to the Board of Trustees by October 15. The Trustees adopt the budget, enact a resolution to appropriate funds for the ensuing fiscal year, and certify the mill levy to the Board of County Commissioners. Budgets are generally prepared on the same basis as that used for accounting purposes except that the budgets for the proprietary funds are prepared using the modified accrual basis of accounting and include amounts for capital expenditures and debt retirement.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.

Property Taxes

By October, the County Assessor certifies to the Town the total valuation for assessment within the Town's territorial limits. Annual property taxes are levied in December based on the Town's assessed valuation and mill levies. In January of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis. Property owners may pay their taxes in full by April 30 or they may pay in two installments due February 28 and June 15.

The Town recognizes a receivable for the property tax levies upon adoption of the budget. A deferred revenue liability, classified as deferred inflows of resources, is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Accounts Receivable

The Town uses the direct write-off method of accounting for uncollectible accounts receivable.

Compensated Absences

The Town does not provide for any compensated absence pay other than vacation for the current year. Such amounts would not be material and no accrual is deemed necessary.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category – deferred revenues from property taxes. The amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. See Property Taxes above.

Fund Balances

The Town reflects fund balances in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54)*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires that all fund balance amounts be properly reported within one of the following fund balance categories:

1. *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, and long-term loans and notes receivable.
2. *Restricted* fund balance category includes amounts that can be spent only for specific purposes as stipulated by external resource providers or by law through constitution provisions or enabling legislation.
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes as determined by Town Board ordinance. An ordinance is required to establish, rescind, or modify a fund balance commitment.
4. *Assigned* fund balance classifications are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. As of December 31, 2016, the Town Board has not authorized any official to assign a fund balance.
5. *Unassigned* fund balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications

The Town does not have an accounting policy regarding which resources (restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available and by default have determined committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

In compliance with GASB 54, the Town has reported fund balance at December 31, 2016 in the following manner:

Restricted: The amount classified as "Restricted for emergencies" represents reserves required by Article X, Section 20, of the State Constitution - Taxpayer's Bill of Rights (TABOR).

Single Audit

The Town is not required to have an audit performed under the requirements of the Single Audit Act. Federal grants received and expended did not exceed \$750,000.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Statement of Cash Flows

For purposes of the statement of cash flows, all of the Enterprise Funds checking and savings accounts are considered cash equivalents.

Note 2 - Deposits and Investments

The State of Colorado Public Deposit Protection Act (the Act) provides protection for public monies on deposit in state and national banks in Colorado above and beyond that provided by the Federal Deposit Insurance Corporation. The Act requires all eligible public depositories to maintain a specified amount of eligible collateral as security for public deposits held. Alternatively, a public depository may elect to secure public deposits held by pledging eligible collateral having a market value equal to or greater than the aggregate of public deposits not insured by the Federal Deposit Insurance Corporation. As of December 31, 2016, the Town's cash deposits had a bank balance of \$1,421,516 and a corresponding carrying balance as follows:

Deposits covered by federal insurance	\$ 250,000
Deposits covered by collateral required by the Act	<u>1,171,516</u>
	<u>\$1,421,516</u>

Note 3 – Capital Assets

Governmental activities capital asset purchases are recorded as capital outlay expenditures in the various funds, and as an asset in the Statement of Net Position. Amounts included in capital assets represent a mixture of cost and estimated cost. The Town's policy is to capitalize and inventory annually all purchases of long lived assets. Street construction expenditures and other infrastructure assets, such as curb and gutter and sidewalks, are included in governmental activities capital asset as land improvements. Maintenance, repairs, and minor renewals are charged as expenditures when incurred. Major additions and betterments are capitalized.

Depreciation is provided on a straight-line basis over the estimated useful lives of the fixed assets, ranging from three to forty years. Depreciation expense of \$76,742 has been recorded on the governmental activities capital assets for the year ended December 31, 2016.

Business-type activities' land, buildings, equipment, distribution and collection systems are stated at cost or estimated cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the fixed assets. The useful lives of the buildings, distribution system and equipment are generally thirty years, fifty years and ten years, respectively. Depreciation expense of \$16,642 was recorded during the year ended December 31, 2016 in the enterprise funds.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 3 – Capital Assets (continued)

Capital asset activity for the year ended December 31, 2016 follows:

	Balance Jan. 1, 2016	Additions	Retirements	Balance Dec. 31, 2016
<u>Governmental activities</u>				
Land and improvements	\$1,475,639	\$102,801	\$ -0-	\$1,578,440
Buildings	262,411	-0-	-0-	262,411
Service vehicles	246,662	-0-	-0-	246,662
Equipment	<u>463,458</u>	<u>17,303</u>	-0-	<u>480,761</u>
	<u>2,448,170</u>	<u>120,104</u>	-0-	<u>2,568,274</u>
Less accumulated depreciation				
Improvements	297,159	48,732	-0-	345,891
Buildings	223,742	1,874	-0-	225,616
Service vehicles	201,351	16,098	-0-	217,449
Equipment	<u>400,275</u>	<u>10,038</u>	-0-	<u>410,313</u>
	<u>1,122,527</u>	<u>76,742</u>	-0-	<u>1,199,269</u>
Net governmental activities capital assets	<u>\$1,325,643</u>	<u>\$ 43,362</u>	<u>\$ -0-</u>	<u>\$1,369,005</u>
<u>Business-type activities</u>				
Land	\$ 32,262	\$ -0-	\$ -0-	\$ 32,262
Buildings and equipment	152,184	45,267	-0-	197,451
Distribution/collection system	<u>538,042</u>	<u>905</u>	-0-	<u>538,947</u>
	<u>722,488</u>	<u>46,172</u>	-0-	<u>768,660</u>
Less accumulated depreciation				
Buildings and equipment	125,096	4,462	-0-	129,558
Distribution/collection system	<u>250,482</u>	<u>12,180</u>	-0-	<u>262,662</u>
	<u>375,578</u>	<u>16,642</u>	<u>\$ -0-</u>	<u>392,220</u>
Net business-type activities capital assets	<u>\$ 346,910</u>	<u>\$ 29,530</u>	<u>\$ -0-</u>	<u>\$ 376,440</u>

Note 4 - Interfund Transfers

Fund	Transfer In	Transfer Out
General	\$ 5,000(a) 2,000(c) <u>2,000(e)</u>	\$ 17,000(b) <u>2,000(d)</u>
Total General	9,000	19,000
Water		5,000(a)
Library	17,000(b)	
Sewer		2,000(c)
Trash		2,000(e)
Firemen Pension	<u>2,000(d)</u>	
Total All Funds	<u>\$ 28,000</u>	<u>\$ 28,000</u>

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 5 – Employee Pension Plans

FPPA Plan Description

All police employees of the Town are covered by the Fire and Police Pension Association of Colorado's (FPPA) statewide defined benefit plan (SWDB). The SWDB is a cost-sharing multiple-employer defined benefit pension plan. FPPA issues a publicly available annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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.

Description of FPPA Benefits

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary 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 currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of 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' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

FPPA Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015 to 8.5 percent. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

The payroll for employees covered by FPPA for the year ended December 31, 2016 equaled \$75,120. Covered employees are required to contribute 9% of their salary. The Town is required to contribute 8% of eligible employee salaries. Total Town contribution for 2016 equaled \$6,010. Due to the immateriality of the Town's FPPA pension expense and proportionate share of the statewide FPPA net pension liability, in relation the Town's financial statements, management has elected to forgo the extensive provisions and disclosure requirements of GASB 68.

**TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

Note 5 – Employee Pension Plans (continued)

Defined Contribution Retirement Plan

The Town contributes to a defined contribution retirement plan that operates under Section 401(a) of the Internal Revenue Code (Colorado County Officials and Employees Retirement Association Town of Hugo Retirement Plan and Trust). The plan is administered by the Colorado County Officials and Employees Retirement Association. Participation begins after three months of full time service with the Town. Permanent full time employees make mandatory pre-tax contributions to the plan and the Town matches those contributions at 3% of each eligible employee's compensation, up to applicable Internal Revenue Code limits. Employee benefits include retirement plan contributions of \$8,365 from nine employees for 2016. All employee contributions are immediately vested, and Town contributions vest over a four year period (25% per year). Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to offset a portion of the Town's future contributions, none in 2016.

Note 6 – Volunteer Firemen Pension Plan

The Town has adopted a locally administered pension plan for all volunteer firemen, a single-employer defined benefit pension plan, pursuant to Title 31, Article 30, of the Colorado Revised Statutes (CRS). The plan provides pension benefits for members who complete twenty years of service, including certain training requirements, and have attained the age of fifty.

CRS 31-30 establishes pension authority and grants management authority to the Plan's board of trustees. The board approves pension amounts annually and has declared no future pension liability in excess of plan assets. There are twenty-three current volunteer firefighters. Plan membership includes seven retirees who are currently receiving benefits.

The Fire Department has no employees and, therefore, there has been no payroll for the year. The Town funds this pension plan with proceeds from a local mill levy, contributions from the State of Colorado Firemen Pension Fund and interest earnings from assets in the fund. Assets are held separately and may be used only for the payment of benefits to members of the plan. The volunteer firemen do not contribute to this plan. During 2016, total additions to the plan equaled \$3,652 from the above sources. Current pensions approved were \$40 per month per eligible fireman, paid annually in December.

Contributions to the plan are as follows:

<u>Year</u>	<u>Town Contribution</u>	<u>State Contribution</u>	<u>Percentage Contributed</u>
2016	\$2,000	\$1,505	100%
2015	\$2,000	\$1,524	100%
2014	\$2,000	\$1,472	100%

The Town has no further liability for pension benefits in excess of the funds available in the pension plan. The funds are invested in a money market savings account and a certificate of deposit, totaling \$77,735. The investments are reported at fair value, which equals cost.

The Plan board has elected to forgo an actuarial analysis since the board has determined it will not approve pension payments in excess of plan assets. Historically the board has suspended any pension payments when the asset balance was not sufficient to fund payments. In this case, plan fiduciary net position as a percentage of pension liability is 100%, both equaling \$77,735.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 7 - Sales Tax

During 1988 the town passed a 2% sales tax ordinance that became effective on July 1, 1988. The funds collected are restricted to storm drainage and street improvement. The sales tax revenue is included in the General Fund. For 2016, sales tax revenue equaled \$130,858 and expenditures were \$101,181.

Note 8 - Tax, Spending, and Debt Limitation

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several abilities, and other specific requirements of the state and local governments. The Amendment is complex and subject to judicial interpretation. The Town of Hugo believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance. In an election held in 1998, the voters of the Town of Hugo passed a referendum permitting the Town to collect, retain and expend the full proceeds of the Town's sales and use tax, property tax, state grants, and any other source of revenue for capital projects and municipal purposes, for the year 1997 and each subsequent year, notwithstanding any state restriction on fiscal year spending, including, without limitation, the restrictions of Article X, Section 20 of the Colorado Constitution.

Note 9 - Risk Management

The Town is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; workers' compensation; errors and omissions and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 10 – Subsequent Events

Subsequent events have been evaluated through June 1, 2017, which is the date the financial statements were available to be issued.

Required Supplemental Information

**TOWN OF HUGO, COLORADO
GENERAL FUND REVENUES
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Taxes			
General property	\$ 125,000	\$ 125,575	\$ 575
Specific ownership	12,000	9,735	(2,265)
Franchise	67,000	62,463	(4,537)
Sales	130,000	130,858	858
Total taxes	<u>334,000</u>	<u>328,631</u>	<u>(5,369)</u>
Licenses and permits			
Business	350	549	199
Non-business	2,000	2,299	299
Total licenses and permits	<u>2,350</u>	<u>2,848</u>	<u>498</u>
Intergovernmental			
Highway user tax	30,000	31,404	1,404
County road and bridge	20,000	23,328	3,328
Severance tax	-	3,903	3,903
Additional motor vehicle registration fees	3,000	4,032	1,032
Total intergovernmental	<u>53,000</u>	<u>62,667</u>	<u>9,667</u>
Charges for services			
Cemetery	1,100	1,065	(35)
Culture and recreation	7,000	7,722	722
Total charges for services	<u>8,100</u>	<u>8,787</u>	<u>687</u>
Fines and forfeits			
Court	80,000	32,948	(47,052)
Miscellaneous	<u>44,900</u>	<u>60,309</u>	<u>15,409</u>
Transfer from other funds	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Earnings from investments	<u>1,500</u>	<u>1,620</u>	<u>120</u>
Total revenues	<u>\$ 532,850</u>	<u>\$ 506,810</u>	<u>\$ (26,040)</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
GENERAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	Original and Final Budget	Actual on Budgetary Basis	Variance
General government			
Trustee and mayor salaries	\$ 1,000	\$ 1,010	\$ (10)
Judge's salary	6,600	6,600	-
Attorney	10,000	6,418	3,582
Office supplies and utilities	14,000	13,056	944
Administrative salary	40,800	40,800	-
Employee benefits	4,900	4,311	589
Building maintenance	2,000	531	1,469
Dues and travel expense	3,500	2,517	983
Publishing and audit	7,500	3,636	3,864
Insurance and bonds	16,500	14,410	2,090
Treasurer's fee	3,700	2,512	1,188
Capital outlay	5,000	3,556	1,444
Election expenses	3,000	1,624	1,376
Total general government	<u>118,500</u>	<u>100,981</u>	<u>17,519</u>
Public safety			
Salaries	75,200	75,120	80
Employee benefits	10,500	10,329	171
Maintenance and fuel	26,000	21,037	4,963
Capital outlay	2,000	748	1,252
Total public safety	<u>113,700</u>	<u>107,234</u>	<u>6,466</u>
Public works			
Salaries	36,700	36,612	88
Employee benefits	4,000	3,899	101
Maintenance and supplies	13,000	13,865	(865)
Fuel	8,500	2,983	5,517
Capital outlay	130,000	115,801	14,199
Total public works	<u>192,200</u>	<u>173,160</u>	<u>19,040</u>
Health and welfare			
Salaries	6,000	4,560	1,440
Employee benefits	500	349	151
Insurance	72,000	69,346	2,654
Cemetery expense	3,100	2,718	382
Total health and welfare	<u>81,600</u>	<u>76,973</u>	<u>4,627</u>

(Continued)

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
GENERAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016**

(Continued from previous page)

	Original and Final Budget	Actual on Budgetary Basis	Variance
Culture and recreation			
Salaries	20,000	14,640	5,360
Employee benefits	1,500	1,120	380
Pool utilities	7,000	2,335	4,665
Repair and maintenance	7,900	7,241	659
Museum expenses	4,000	3,063	937
Park utilities	500	947	(447)
Community center	1,200	377	823
Baseball	4,200	3,067	1,133
Total culture and recreation	<u>46,300</u>	<u>32,790</u>	<u>13,510</u>
Miscellaneous	<u>11,000</u>	<u>10,240</u>	<u>760</u>
Transfer to other funds	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Contingency	<u>17,469</u>	<u>-</u>	<u>17,469</u>
Total expenditures	<u><u>\$ 599,769</u></u>	<u><u>\$ 520,378</u></u>	<u><u>\$ 79,391</u></u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
VOLUNTEER FIREMEN PENSION PLAN
SCHEDULES REQUIRED BY GASB
Last 10 Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Plan fiduciary net position										
Contributions - Town	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Contributions - State of Colorado	1,505	1,524	1,472	1,448	1,479	1,475	1,495	1,476	1,457	1,439
Interest income	147	145	145	142	139	469	941	1,335	2,187	2,924
Benefit payments	<u>(3,120)</u>	<u>(2,520)</u>	<u>(2,520)</u>	<u>(2,520)</u>	<u>(2,070)</u>	<u>(1,800)</u>	<u>(1,800)</u>	<u>(1,800)</u>	<u>(1,800)</u>	<u>(1,900)</u>
Net change in plan fiduciary net position	532	1,149	1,097	1,070	1,548	2,144	2,636	3,011	3,844	4,463
Plan fiduciary net position - beginning	<u>77,203</u>	<u>76,054</u>	<u>74,957</u>	<u>73,887</u>	<u>72,339</u>	<u>70,195</u>	<u>67,559</u>	<u>64,548</u>	<u>60,704</u>	<u>56,241</u>
Plan fiduciary net position - ending (b)	<u>\$ 77,735</u>	<u>\$ 77,203</u>	<u>\$ 76,054</u>	<u>\$ 74,957</u>	<u>\$ 73,887</u>	<u>\$ 72,339</u>	<u>\$ 70,195</u>	<u>\$ 67,559</u>	<u>\$ 64,548</u>	<u>\$ 60,704</u>
Total pension liability (a)	<u>\$ 77,735</u>	<u>\$ 77,203</u>	<u>\$ 76,054</u>	<u>\$ 74,957</u>	<u>\$ 73,887</u>	<u>\$ 72,339</u>	<u>\$ 70,195</u>	<u>\$ 67,559</u>	<u>\$ 64,548</u>	<u>\$ 60,704</u>
The board of trustees of the Plan has determined that no pension liability exists in excess of plan assets.										
Plan's net pension liability (asset) (a)-(b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual rate of return on investments	0.19%	0.19%	0.19%	0.19%	0.19%	0.67%	1.39%	2.07%	3.60%	5.20%

See accompanying notes to financial statements.

Other Supplemental Information

**TOWN OF HUGO, COLORADO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2016**

	Conservation Trust	Library	Law Enforcement Assistance	Totals
ASSETS				
Cash on hand and in banks	\$ 20,134	\$ 20,416	\$ 14,192	\$ 54,742
TOTAL ASSETS	\$ 20,134	\$ 20,416	\$ 14,192	\$ 54,742
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND EQUITY				
Fund balance	20,134	20,416	14,192	54,742
TOTAL FUND EQUITY	20,134	20,416	14,192	54,742
TOTAL LIABILITIES AND FUND EQUITY	\$ 20,134	\$ 20,416	\$ 14,192	\$ 54,742

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended December 31, 2016**

	<u>Conservation Trust</u>	<u>Library</u>	<u>Law Enforcement Assistance</u>	<u>Totals</u>
Revenues:				
Intergovernmental	\$ 8,083	\$ -	\$ -	\$ 8,083
Fines and forfeitures		136	2,475	2,611
Interest	10	10	-	20
Miscellaneous/grants	-	4,100		4,100
Total revenues	<u>8,093</u>	<u>4,246</u>	<u>2,475</u>	<u>14,814</u>
Expenditures:				
Public safety			1,377	1,377
Culture and recreation	6,398	21,341		27,739
Total expenditures	<u>6,398</u>	<u>21,341</u>	<u>1,377</u>	<u>29,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,695</u>	<u>(17,095)</u>	<u>1,098</u>	<u>(14,302)</u>
Other financing sources (uses):				
Transfer in		17,000	-	17,000
Total other financing sources (uses)	<u>-</u>	<u>17,000</u>	<u>-</u>	<u>17,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	1,695	(95)	1,098	2,698
Fund balance, January 1	<u>18,439</u>	<u>20,511</u>	<u>13,094</u>	<u>52,044</u>
Fund balance, December 31	<u>\$ 20,134</u>	<u>\$ 20,416</u>	<u>\$ 14,192</u>	<u>\$ 54,742</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
 CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance</u>
Revenues			
Lottery proceeds	\$ 7,000	\$ 8,083	\$ 1,083
Interest	7	10	3
Total revenues	<u>7,007</u>	<u>8,093</u>	<u>1,086</u>
Expenditures			
Park and pool maintenance	<u>7,007</u>	<u>6,398</u>	<u>609</u>
Total expenditures	<u>7,007</u>	<u>6,398</u>	<u>609</u>
Excess (deficiency) to fund equity	-	1,695	1,695
Fund equity, January 1	<u>20,730</u>	<u>18,439</u>	<u>(2,291)</u>
Fund equity, December 31	<u>\$ 20,730</u>	<u>\$ 20,134</u>	<u>\$ (596)</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Fines	\$ 100	\$ 136	\$ 36
Contributions	700	1,100	400
Transfer from general fund	17,000	17,000	-
Interest	20	10	(10)
Miscellaneous/grants	6,680	3,000	(3,680)
Total revenues	<u>24,500</u>	<u>21,246</u>	<u>(3,254)</u>
Expenditures			
Salaries	12,500	11,746	754
Employee benefits	1,000	899	101
Books and subscriptions	4,500	1,992	2,508
Supplies and miscellaneous	6,500	6,704	(204)
Total expenditures	<u>24,500</u>	<u>21,341</u>	<u>3,159</u>
Excess (deficiency) to fund equity	-	(95)	(95)
Fund equity, January 1	<u>3,900</u>	<u>20,511</u>	<u>16,611</u>
Fund equity, December 31	<u>\$ 3,900</u>	<u>\$ 20,416</u>	<u>\$ 16,516</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
LAW ENFORCEMENT ASSISTANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Surcharge fees	\$ 6,500	\$ 2,475	\$ (4,025)
Miscellaneous/Grants	500		(500)
Total revenues	<u>7,000</u>	<u>2,475</u>	<u>(4,525)</u>
Expenditures			
Equipment and supplies	3,500	877	2,623
Training	3,500	500	3,000
Total expenditures	<u>7,000</u>	<u>1,377</u>	<u>5,623</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,098	1,098
Fund equity, January 1	<u>12,703</u>	<u>13,094</u>	<u>391</u>
Fund equity, December 31	<u>\$ 12,703</u>	<u>\$ 14,192</u>	<u>\$ 1,489</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
VOLUNTEER FIREMEN PENSION PLAN
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Interest	\$ 150	\$ 147	\$ (3)
Contributions: State	1,400	1,505	105
Total revenues	<u>1,550</u>	<u>1,652</u>	<u>102</u>
Expenditures			
Pensions paid	3,250	3,120	130
Death benefit	300	-	300
Total expenditures	<u>3,550</u>	<u>3,120</u>	<u>430</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000)</u>	<u>(1,468)</u>	<u>532</u>
Other financing sources (uses)			
Transfer from general fund	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expend. and other uses	-	532	532
Reserve for Retirement Benefits, January 1	<u>77,084</u>	<u>77,203</u>	<u>119</u>
Reserve for Retirement Benefits, December 31	<u>\$ 77,084</u>	<u>\$ 77,735</u>	<u>\$ 651</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
Water sales	\$ 186,000	\$ 189,683	\$ 3,683
Interest	500	472	(28)
Other	4,500	7,710	3,210
Undesignated reserves	20,300	-	(20,300)
Total receipts	<u>211,300</u>	<u>197,865</u>	<u>(13,435)</u>
Disbursements			
System operations			
Fuel and power	13,000	10,766	2,234
Salaries	41,600	40,499	1,101
Supplies	600	-	600
Employee benefits	19,300	18,636	664
System maintenance			
Maintenance	25,200	22,917	2,283
Supplies and treatment	3,000	1,433	1,567
General and Administrative			
Insurance	8,500	7,000	1,500
Audit and publication	2,100	1,800	300
Utilities	2,000	909	1,091
Supplies	1,000	889	111
Salaries	30,000	30,000	-
Employee benefits	20,000	19,114	886
Capital outlay	40,000	41,845	(1,845)
Transfer to other funds	5,000	5,000	-
Total disbursements	<u>211,300</u>	<u>200,808</u>	<u>10,492</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ (2,943)</u>	<u>\$ (2,943)</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
Sewer use charge	\$ 67,000	\$ 67,891	\$ 891
Interest	200	330	130
Other	9,200	-	(9,200)
Total receipts	<u>76,400</u>	<u>68,221</u>	<u>(8,179)</u>
Disbursements			
Salaries	39,100	32,406	6,694
Maintenance and supplies	14,000	13,706	294
Utilities	2,300	2,214	86
Employee benefits	16,000	13,330	2,670
Capital outlay	3,000	2,747	253
Transfer to other funds	2,000	2,000	-
Total disbursements	<u>76,400</u>	<u>66,403</u>	<u>9,997</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ 1,818</u>	<u>\$ 1,818</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
SOLID WASTE DISPOSAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
Collection fees	\$ 75,000	\$ 75,236	\$ 236
Interest	200	223	23
Other	1,200		(1,200)
Total receipts	<u>76,400</u>	<u>75,459</u>	<u>(941)</u>
Disbursements			
Salary	35,400	35,400	-
Miscellaneous and employee benefits	17,000	16,668	332
Maintenance and supplies	9,000	7,841	1,159
Landfill fees	9,500	9,848	(348)
Fuel	3,500	2,017	1,483
Transfer to other funds	2,000	2,000	-
Total disbursements	<u>76,400</u>	<u>73,774</u>	<u>2,626</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ 1,685</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STREET LIGHT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2016

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
User fees	\$ 17,000	\$ 16,790	\$ (210)
Interest	-	-	-
Total receipts	<u>17,000</u>	<u>16,790</u>	<u>(210)</u>
Disbursements			
Electricity	15,000	14,439	561
Capital outlay	2,000	1,580	420
Total disbursements	<u>17,000</u>	<u>16,019</u>	<u>981</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ 771</u>	<u>\$ 771</u>

See accompanying notes to financial statements.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Hugo YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _ Town of Hugo, Colorado	Prepared By: Maria Nestor, Town Clerk Phone: (719) 743-2485

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	101,881
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	57,716
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	0	b. Snow and ice removal	2,260
3. Other local imposts (from page 2)	154,186	c. Other	15,500
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	17,760
5. Transfers from toll facilities	0	4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	22,000
a. Bonds - Original Issues	0	6. Total (1 through 5)	199,357
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	154,186	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	45,171	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	199,357	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	199,357

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	undetermined	199,357	199,357	undetermined	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	130,858	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	23,328	g. Other Misc. Receipts	0
6. Total (1. through 5.)	154,186	h. Other	0
c. Total (a. + b.)	154,186	i. Total (a. through h.)	0
	(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	31,404	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	13,767	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	13,767	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	45,171	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	101,881	101,881
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	101,881	101,881
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	101,881	101,881
			(Carry forward to page 1)

Notes and Comments: