

TOWN OF HUGO, COLORADO
FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2017



RECEIVED

Office of the State Auditor

May 23, 2018

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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, and the aggregate remaining fund information of the Town of Hugo, Colorado, as of and for the year ended December 31, 2017, 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, and the aggregate remaining fund information of the Town of Hugo, Colorado, as of December 31, 2017 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
May 1, 2018

**TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

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 26% of general fund revenues and sales taxes which total approximately 30% 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 \$144,637 (net income) as a result of this year's operations. Net position of governmental activities increased \$18,765; and net position of business-type activities increased \$125,872.

Total revenue increased by \$69,221 this year while expenses decreased by \$12,062. The increase in revenue for 2017 was due to a combination of increases in charges for services and increases in taxes collected. The expense decrease was due to savings in public safety and water and trash funds. The one fund with the biggest expense increase (\$13,697) was the sewer fund, due to preliminary expenditures for a major upgrade to the sewer lagoon. Expenses decreased while revenues increased, resulting in an increase in net income compared to the previous year.

The Town expended \$149,501 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, 2017**

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 reconciliations on pages 11 and 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, 2017**

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>2017</u>	<u>2016</u>
<u>Assets</u>		
Current assets	\$1,722,093	\$1,632,861
Net capital assets	<u>1,797,969</u>	<u>1,745,445</u>
Total assets	<u>3,520,062</u>	<u>3,378,306</u>
 <u>Liabilities</u>		
Current liabilities	(66,617)	(67,372)
Long term liabilities	<u>0</u>	<u>0</u>
Total liabilities	<u>(66,617)</u>	<u>(67,372)</u>
 <u>Deferred Inflows of Resources</u>		
Deferred revenue – property taxes	<u>(126,000)</u>	<u>(128,126)</u>
 <u>Net Position</u>		
Invested in capital assets	1,797,969	1,745,445
Restricted for emergencies (TABOR)	15,990	15,990
Assigned	60,612	54,742
Unrestricted	<u>1,452,874</u>	<u>1,366,631</u>
Total net position	<u>\$3,327,445</u>	<u>\$3,182,808</u>

**TOWN OF HUGO, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

Table 2
Change in Net Position

	<u>2017</u>	<u>2016</u>
<u>Revenues</u>		
Program Revenues		
Charges for services	\$414,942	\$358,387
Grants and contributions	7,224	8,083
General Revenues		
Property taxes	128,757	125,575
Sales taxes	147,842	130,858
Other taxes	134,233	130,962
Other revenue	<u>105,182</u>	<u>115,094</u>
Total revenue	<u>938,180</u>	<u>868,959</u>
<u>Expenses</u>		
General government	97,820	97,425
Public safety	92,533	107,863
Public works	56,941	57,359
Health and welfare	74,568	76,973
Culture and recreation	66,377	60,529
Depreciation and miscellaneous	93,305	86,982
Water fund	148,541	167,611
Sewer fund	78,217	64,520
Solid waste disposal fund	70,749	71,774
Street light fund	<u>14,492</u>	<u>14,569</u>
Total expenses	<u>793,543</u>	<u>805,605</u>
<u>Change in net position</u>	144,637	63,354
Net position - beginning of year	<u>3,182,808</u>	<u>3,119,454</u>
Net position - end of year	<u>\$3,327,445</u>	<u>\$3,182,808</u>

These two tables show that the town's total net position increased in 2017 by \$144,637. This is due primarily to an increase in capital assets as a result of street paving and increases in charges for services and taxes collected. *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 - increased by \$86,243 or 6%.

In 2017 the change in net position from governmental activities equaled \$18,765; and the change in net position from business-type activities equaled \$125,872. 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, 2017**

Capital Assets

As of December 31, 2017, the Town had a total of \$3,486,435 invested in land and improvements, buildings, service vehicles, and office and maintenance equipment. As of December 31, 2016 the total was \$3,336,934. The increase is summarized as follows:

Street paving, curb and gutter	\$ 86,036
Office equipment and furniture	1,935
Maintenance equipment	2,375
Law enforcement equipment	2,435
Street lights	1,822
Sewer fund equipment and engineering	48,256
Water well improvements	<u>6,642</u>
	<u>\$149,501</u>

Depreciation expense of \$96,977 was recorded this year, \$78,736 in governmental activities and \$18,241 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, 2017 and 2016 the Town had no outstanding debt. It has been the Town's policy to finance all capital purchases from current resources or cash reserves, if possible.

The Future of the Town

The Town of Hugo continues to maintain a strong financial position. During 2017 the Town was able to continue its commitment to new storm drainage and street paving by completing 500 feet of curb and gutter installation; pan replacement on several streets and alleys; chip seal on three streets; and overlay on two additional blocks of streets. The Town is in the early stages of a major renewal of the sewer lagoon which is required to meet State of Colorado standards. This project will require the Town to secure both grant and debt funding. Additionally, in 2018, the Board approved a Project Needs Assessment for a new water tower.

Modest growth in both revenues and expenditures is expected for 2018. 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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 474,388	\$ 334,399	\$ 808,787
Certificates of deposit	312,190	316,993	629,183
Receivables	188,875	95,248	284,123
Capital assets, net of depreciation	1,383,050	414,919	1,797,969
Total assets	2,358,503	1,161,559	3,520,062
LIABILITIES			
Accounts payable	3,149	4,428	7,577
Customer deposits		59,040	59,040
Total liabilities	3,149	63,468	66,617
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	126,000	-	126,000
NET POSITION			
Net investment in capital assets	1,383,050	414,919	1,797,969
Restricted for emergencies	15,990		15,990
Assigned	60,612		60,612
Unassigned	769,702	683,172	1,452,874
Total net position	\$ 2,229,354	\$ 1,098,091	\$ 3,327,445

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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	\$ 97,820	\$ -	\$ -	\$ (97,820)	\$ -	\$ (97,820)
Public safety	92,533			(92,533)		(92,533)
Public works	56,941			(56,941)		(56,941)
Health and welfare	74,568	1,450		(73,118)		(73,118)
Culture and recreation	66,377	7,186	7,224	(51,967)		(51,967)
Depreciation	78,736			(78,736)		(78,736)
Miscellaneous	14,569			(14,569)		(14,569)
Total governmental activities	<u>481,544</u>	<u>8,636</u>	<u>7,224</u>	<u>(465,684)</u>	<u>-</u>	<u>(465,684)</u>
Business-type activities						
Water	148,541	202,282			53,741	53,741
Sewer	78,217	94,410			16,193	16,193
Solid waste disposal	70,749	91,762			21,013	21,013
Street lights	14,492	17,852			3,360	3,360
Total business-type activities	<u>311,999</u>	<u>406,306</u>	<u>-</u>	<u>-</u>	<u>94,307</u>	<u>94,307</u>
Total primary government	<u>\$ 793,543</u>	<u>\$ 414,942</u>	<u>\$ 7,224</u>	<u>(465,684)</u>	<u>94,307</u>	<u>(371,377)</u>
General revenues						
Taxes						
Property taxes				128,757		128,757
Sales taxes				147,842		147,842
Franchise taxes				61,576		61,576
Other taxes				72,657		72,657
Licenses and permits				2,597		2,597
Fines				23,624		23,624
Interest				1,911	1,076	2,987
Miscellaneous				38,485	39,489	77,974
Transfers				7,000	(9,000)	(2,000)
Total general revenues and transfers				<u>484,449</u>	<u>31,565</u>	<u>516,014</u>
Change in net position				18,765	125,872	144,637
Net position - beginning of the year				<u>2,210,589</u>	<u>972,219</u>	<u>3,182,808</u>
Net position - end of the year				<u>\$ 2,229,354</u>	<u>\$ 1,098,091</u>	<u>\$ 3,327,445</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2017

	General	Special Revenue	Totals
ASSETS			
Cash on hand and in banks	\$ 413,776	\$ 60,612	\$ 474,388
Certificates of deposit	312,190		312,190
Taxes receivable	149,543	-	149,543
Note receivable	39,332		39,332
TOTAL ASSETS	\$ 914,841	\$ 60,612	\$ 975,453
LIABILITIES			
Accounts payable	\$ 3,149	\$ -	\$ 3,149
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	126,000		126,000
FUND BALANCES			
Restricted	15,990		15,990
Assigned		60,612	60,612
Unassigned	769,702		769,702
TOTAL FUND BALANCES	785,692	60,612	846,304
TOTAL LIABILITIES, DEFERRED RESOURCES AND FUND BALANCES	\$ 914,841	\$ 60,612	\$ 975,453

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, 2017

Total governmental fund balances (from Page 10)	\$ 846,304
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>1,383,050</u>
Total net position of governmental activities (see Page 8)	<u>\$ 2,229,354</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, 2017

	General	Special Revenue	Totals
Revenues:			
Taxes	\$ 350,025	\$ -	\$ 350,025
Licenses and permits	2,597		2,597
Intergovernmental	60,807	7,224	68,031
Charges for services	8,636		8,636
Fines and forfeitures	21,558	2,066	23,624
Interest	1,887	24	1,911
Miscellaneous	34,485	4,000	38,485
Total revenues	<u>479,995</u>	<u>13,314</u>	<u>493,309</u>
Expenditures:			
General government	99,754		99,754
Public safety	94,439	529	94,968
Public works	145,350		145,350
Health and welfare	74,568		74,568
Culture and recreation	42,462	23,915	66,377
Miscellaneous	14,569		14,569
Total expenditures	<u>471,142</u>	<u>24,444</u>	<u>495,586</u>
Excess (deficiency) of revenues over expenditures	<u>8,853</u>	<u>(11,130)</u>	<u>(2,277)</u>
Other financing sources (uses):			
Transfer in	9,000	17,000	26,000
Transfer out	(19,000)	-	(19,000)
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	(1,147)	5,870	4,723
Fund balances - beginning of the year	<u>786,839</u>	<u>54,742</u>	<u>841,581</u>
Fund balances - end of the year	<u>\$ 785,692</u>	<u>\$ 60,612</u>	<u>\$ 846,304</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, 2017

Net change in fund balances - total governmental funds (from Page 12)	\$	4,723
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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	92,778	
Total governmental funds depreciation	<u>(78,736)</u>	<u>14,042</u>
Change in net position of governmental activities (see Page 9)	\$	<u><u>18,765</u></u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2017

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	\$ 168,789	\$ 80,708	\$ 48,990	\$ 35,912	\$ 334,399
Certificates of deposit	148,912	71,307	96,774		316,993
Accounts receivable	42,588	24,390	23,387	4,883	95,248
Total current assets	<u>360,289</u>	<u>176,405</u>	<u>169,151</u>	<u>40,795</u>	<u>746,640</u>
Capital assets					
Land	17,969	14,293			32,262
Buildings and equipment	123,489	20,309	53,653		197,451
Distribution/collection systems	385,777	203,881		6,009	595,667
Less accumulated depreciation	<u>(277,379)</u>	<u>(78,813)</u>	<u>(53,653)</u>	<u>(616)</u>	<u>(410,461)</u>
Total capital assets	<u>249,856</u>	<u>159,670</u>	<u>-</u>	<u>5,393</u>	<u>414,919</u>
Total Assets	<u><u>\$ 610,145</u></u>	<u><u>\$ 336,075</u></u>	<u><u>\$ 169,151</u></u>	<u><u>\$ 46,188</u></u>	<u><u>\$ 1,161,559</u></u>
Liabilities and Net Position					
Liabilities					
Accounts payable	\$ 1,207	\$ 637	\$ 1,426	\$ 1,158	\$ 4,428
Customer deposits	59,040				59,040
Total Liabilities	<u>60,247</u>	<u>637</u>	<u>1,426</u>	<u>1,158</u>	<u>63,468</u>
Net Position					
Net investment in capital assets	249,856	159,670		5,393	414,919
Unrestricted	<u>300,042</u>	<u>175,768</u>	<u>167,725</u>	<u>39,637</u>	<u>683,172</u>
Total Net Position	<u>549,898</u>	<u>335,438</u>	<u>167,725</u>	<u>45,030</u>	<u>1,098,091</u>
Total Liabilities and Net Position	<u><u>\$ 610,145</u></u>	<u><u>\$ 336,075</u></u>	<u><u>\$ 169,151</u></u>	<u><u>\$ 46,188</u></u>	<u><u>\$ 1,161,559</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, 2017

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	\$ 202,282	\$ 94,410	\$ 91,762	\$ 17,852	\$ 406,306
Other	17,037	22,452			39,489
Total operating revenues	<u>219,319</u>	<u>116,862</u>	<u>91,762</u>	<u>17,852</u>	<u>445,795</u>
Operating expenses					
Salaries and employee benefits	104,460	50,672	52,954		208,086
Materials and supplies	1,373	21,099		-	22,472
Repairs and maintenance	10,359		5,504		15,863
Heat, power, lights and fuel	11,680	2,948	2,963	14,222	31,813
Audit and publication	2,000				2,000
Insurance	4,000				4,000
Depreciation	14,473	3,498	-	270	18,241
Other	196		9,328		9,524
Total operating expenses	<u>148,541</u>	<u>78,217</u>	<u>70,749</u>	<u>14,492</u>	<u>311,999</u>
Operating income	<u>70,778</u>	<u>38,645</u>	<u>21,013</u>	<u>3,360</u>	<u>133,796</u>
Other income (expense)					
Interest income	567	278	231	-	1,076
Total other income	<u>567</u>	<u>278</u>	<u>231</u>	<u>-</u>	<u>1,076</u>
Income before transfers	71,345	38,923	21,244	3,360	134,872
Transfer to other funds	<u>(5,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>		<u>(9,000)</u>
Change in net position	66,345	36,923	19,244	3,360	125,872
Net position - beginning of the year	<u>483,553</u>	<u>298,515</u>	<u>148,481</u>	<u>41,670</u>	<u>972,219</u>
Net position - end of the year	<u>\$ 549,898</u>	<u>\$ 335,438</u>	<u>\$ 167,725</u>	<u>\$ 45,030</u>	<u>\$ 1,098,091</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Solid Waste Disposal	Street Light	
Cash Flows From Operating Activities					
Receipts from customers	\$ 223,298	\$ 87,476	\$ 87,908	\$ 17,304	\$ 415,986
Received from other sources		22,452			22,452
Payments to employees and suppliers	(134,168)	(74,426)	(70,363)	(14,276)	(293,233)
Net cash flows from operating activities	<u>89,130</u>	<u>35,502</u>	<u>17,545</u>	<u>3,028</u>	<u>145,205</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	(6,642)	(48,256)	-	(1,822)	(56,720)
Cash Flows From Investing Activities					
(Purchase) redeem certificates of deposit	(312)	(143)	(193)		(648)
Earnings on investments	567	278	231		1,076
Net cash flows from investing activities	<u>255</u>	<u>135</u>	<u>38</u>	<u>-</u>	<u>428</u>
Net increase (decrease) in cash	77,743	(14,619)	15,583	1,206	79,913
Cash, beginning of the year	<u>91,046</u>	<u>95,327</u>	<u>33,407</u>	<u>34,706</u>	<u>254,486</u>
Cash, end of the year	<u>\$ 168,789</u>	<u>\$ 80,708</u>	<u>\$ 48,990</u>	<u>\$ 35,912</u>	<u>\$ 334,399</u>
Operating income (loss)	\$ 70,778	\$ 38,645	\$ 21,013	\$ 3,360	\$ 133,796
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	14,473	3,498	-	270	18,241
(Increase) decrease in accounts receivable	3,809	(6,934)	(3,854)	(548)	(7,527)
Increase (decrease) in accounts payable	(100)	293	386	(54)	525
Increase (decrease) in customer deposits	170				170
Net cash flows from operating activities	<u>\$ 89,130</u>	<u>\$ 35,502</u>	<u>\$ 17,545</u>	<u>\$ 3,028</u>	<u>\$ 145,205</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
VOLUNTEER FIREMAN PENSION PLAN
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2017**

Assets	
Cash on hand and in banks	\$ 6,126
Certificate of deposit	<u>71,950</u>
 Total assets	 <u><u>\$ 78,076</u></u>
 Net position restricted for pensions	 <u><u>\$ 78,076</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, 2017**

Additions		
Interest	\$	147
Contributions: State		<u>1,555</u>
Total additions		<u>1,702</u>
Deductions		
Pensions paid		<u>3,360</u>
Total deductions		<u>3,360</u>
		<u>(1,658)</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		342
Net position restricted for pensions- beginning of the year		<u>77,734</u>
Net position restricted for pensions- end of the year	\$	<u><u>78,076</u></u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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, 2017

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. 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 governmental funds:

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

Nonmajor 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, 2017

Note 1 - Summary of Significant Accounting Policies (continued)

Proprietary Funds

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 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, 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, 2017

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, 2017, the nonmajor special revenue fund balances are classified as assigned.
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, 2017 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, 2017

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, 2017, the Town's cash deposits had a bank balance of \$1,515,926 and a corresponding carrying balance as follows:

Deposits covered by federal insurance	\$ 250,000
Deposits covered by collateral required by the Act	<u>1,265,926</u>
	<u>\$1,515,926</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 \$78,736 has been recorded on the governmental activities capital assets for the year ended December 31, 2017.

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 \$18,241 was recorded during the year ended December 31, 2017 in the enterprise funds.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 3 – Capital Assets (continued)

Capital asset activity for the year ended December 31, 2017 follows:

	Balance Jan. 1, 2017	Additions	Retirements	Balance Dec. 31, 2017
<u>Governmental activities</u>				
Land and improvements	\$1,578,440	\$ 86,036	\$ -0-	\$1,664,476
Buildings	262,411	-0-	-0-	262,411
Service vehicles	246,662	1,545	-0-	248,207
Equipment	480,761	5,200	-0-	485,961
	<u>2,568,274</u>	<u>92,781</u>	<u>-0-</u>	<u>2,661,055</u>
Less accumulated depreciation				
Improvements	345,891	51,870	-0-	397,761
Buildings	225,616	1,874	-0-	227,490
Service vehicles	217,449	14,613	-0-	232,062
Equipment	410,313	10,379	-0-	420,692
	<u>1,199,269</u>	<u>78,736</u>	<u>-0-</u>	<u>1,278,005</u>
Net governmental activities capital assets	<u>\$1,369,005</u>	<u>\$ 14,045</u>	<u>\$ -0-</u>	<u>\$1,383,050</u>
<u>Business-type activities</u>				
Land	\$ 32,262	\$ -0-	\$ -0-	\$ 32,262
Buildings and equipment	197,451	-0-	-0-	197,451
Distribution/collection system	538,947	56,720	-0-	595,667
	<u>768,660</u>	<u>56,720</u>	<u>-0-</u>	<u>825,380</u>
Less accumulated depreciation				
Buildings and equipment	129,558	4,541	-0-	134,099
Distribution/collection system	262,662	13,700	-0-	276,362
	<u>392,220</u>	<u>18,241</u>	<u>\$ -0-</u>	<u>410,461</u>
Net business-type activities capital assets	<u>\$ 376,440</u>	<u>\$ 38,479</u>	<u>\$ -0-</u>	<u>\$ 414,919</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, 2017

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, 2017 equaled \$70,002. Covered employees are required to contribute 9.5% of their salary. The Town is required to contribute 8% of eligible employee salaries. Total Town contribution for 2017 equaled \$5,600. 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, 2017**

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 \$8,087 from ten employees for 2017. 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, \$1,137 in 2017.

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 2017, total additions to the plan equaled \$3,702 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>
2017	\$2,000	\$1,555	100%
2016	\$2,000	\$1,505	100%
2015	\$2,000	\$1,524	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 \$78,076. 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 \$78,076.

TOWN OF HUGO, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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 2017, sales tax revenue equaled \$147,842 and expenditures were \$86,036.

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 May 1, 2018, 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, 2017

	Original and Final Budget	Actual on Budgetary Basis	Variance
Taxes			
General property	\$ 128,000	\$ 128,757	\$ 757
Specific ownership	9,000	11,850	2,850
Franchise	62,000	61,576	(424)
Sales	135,000	147,842	12,842
Total taxes	<u>334,000</u>	<u>350,025</u>	<u>16,025</u>
Licenses and permits			
Business	350	376	26
Non-business	2,000	2,221	221
Total licenses and permits	<u>2,350</u>	<u>2,597</u>	<u>247</u>
Intergovernmental			
Highway user tax	30,000	31,715	1,715
County road and bridge	22,000	23,400	1,400
Severance tax	-	1,495	1,495
Cigarette tax	-	500	500
Additional motor vehicle registration fees	3,000	3,697	697
Total intergovernmental	<u>55,000</u>	<u>60,807</u>	<u>5,807</u>
Charges for services			
Cemetery	1,100	1,450	350
Culture and recreation	7,100	7,186	86
Total charges for services	<u>8,200</u>	<u>8,636</u>	<u>436</u>
Fines and forfeits			
Court	40,000	21,558	(18,442)
Miscellaneous	<u>35,100</u>	<u>34,485</u>	<u>(615)</u>
Transfer from other funds	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Earnings from investments	<u>1,500</u>	<u>1,887</u>	<u>387</u>
Undesignated reserves	<u>135,754</u>	<u>-</u>	<u>(135,754)</u>
Total revenues	<u>\$ 620,904</u>	<u>\$ 488,995</u>	<u>\$ (131,909)</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
GENERAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017**

	Original and Final Budget	Actual on Budgetary Basis	Variance
General government			
Trustee and mayor salaries	\$ 1,000	\$ 950	\$ 50
Judge's salary	6,600	6,600	-
Attorney	10,000	5,666	4,334
Office supplies and utilities	14,000	13,842	158
Administrative salary	41,400	41,400	-
Employee benefits	5,100	4,707	393
Building maintenance	2,000	2,022	(22)
Dues and travel expense	4,000	2,695	1,305
Publishing and audit	7,500	3,934	3,566
Insurance and bonds	16,000	13,437	2,563
Treasurer's fee	3,700	2,567	1,133
Capital outlay	5,000	1,934	3,066
Total general government	<u>116,300</u>	<u>99,754</u>	<u>16,546</u>
Public safety			
Salaries	76,320	70,002	6,318
Employee benefits	11,400	9,045	2,355
Maintenance and fuel	25,000	12,957	12,043
Capital outlay	2,000	2,435	(435)
Total public safety	<u>114,720</u>	<u>94,439</u>	<u>20,281</u>
Public works			
Salaries	37,200	37,200	-
Employee benefits	4,000	3,776	224
Maintenance and supplies	15,000	13,784	1,216
Fuel	8,000	2,181	5,819
Capital outlay	130,000	88,409	41,591
Total public works	<u>194,200</u>	<u>145,350</u>	<u>48,850</u>
Health and welfare			
Insurance	86,000	72,407	13,593
Cemetery expense	3,000	2,161	839
Total health and welfare	<u>89,000</u>	<u>74,568</u>	<u>14,432</u>

(Continued)

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
GENERAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017**

(Continued from previous page)

	Original and Final Budget	Actual on Budgetary Basis	Variance
Culture and recreation			
Salaries	21,000	17,428	3,572
Employee benefits	1,600	1,333	267
Pool utilities	7,000	3,254	3,746
Repair and maintenance	7,000	5,903	1,097
Museum expenses	8,000	6,851	1,149
Park utilities	600	533	67
Community center	5,200	4,867	333
Baseball	4,200	2,293	1,907
Total culture and recreation	<u>54,600</u>	<u>42,462</u>	<u>12,138</u>
Miscellaneous	<u>14,600</u>	<u>14,569</u>	<u>31</u>
Transfer to other funds	<u>19,400</u>	<u>19,000</u>	<u>400</u>
Contingency	<u>18,084</u>	<u>-</u>	<u>18,084</u>
Total expenditures	<u><u>\$ 620,904</u></u>	<u><u>\$ 490,142</u></u>	<u><u>\$ 130,762</u></u>

See accompanying notes to financial statements.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	1,555	1,505	1,524	1,472	1,448	1,479	1,475	1,495	1,476	1,457
Interest income	147	146	145	145	142	139	469	941	1,335	2,187
Benefit payments	<u>(3,360)</u>	<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>
Net change in plan fiduciary net position	342	531	1,149	1,097	1,070	1,548	2,144	2,636	3,011	3,844
Plan fiduciary net position - beginning	<u>77,734</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>
Plan fiduciary net position - ending (b)	<u>\$ 78,076</u>	<u>\$ 77,734</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>
Total pension liability (a)	<u>\$ 78,076</u>	<u>\$ 77,734</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>
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%	0.19%	0.67%	1.39%	2.07%	3.60%

See accompanying notes to financial statements.

Other Supplemental Information

**TOWN OF HUGO, COLORADO
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2017**

	Conservation Trust	Library	Law Enforcement Assistance	Totals
ASSETS				
Cash on hand and in banks	\$ 25,213	\$ 19,801	\$ 15,598	\$ 60,612
TOTAL ASSETS	\$ 25,213	\$ 19,801	\$ 15,598	\$ 60,612
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND EQUITY				
Fund balance - assigned	25,213	19,801	15,598	60,612
TOTAL FUND EQUITY	25,213	19,801	15,598	60,612
TOTAL LIABILITIES AND FUND EQUITY	\$ 25,213	\$ 19,801	\$ 15,598	\$ 60,612

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended December 31, 2017**

	Conservation Trust	Library	Law Enforcement Assistance	Totals
Revenues:				
Intergovernmental	\$ 7,224	\$ -	\$ -	\$ 7,224
Fines and forfeitures		131	1,935	2,066
Interest	11	13	-	24
Miscellaneous/grants	-	4,000		4,000
Total revenues	<u>7,235</u>	<u>4,144</u>	<u>1,935</u>	<u>13,314</u>
Expenditures:				
Public safety			529	529
Culture and recreation	<u>2,156</u>	<u>21,759</u>		<u>23,915</u>
Total expenditures	<u>2,156</u>	<u>21,759</u>	<u>529</u>	<u>24,444</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,079</u>	<u>(17,615)</u>	<u>1,406</u>	<u>(11,130)</u>
Other financing sources (uses):				
Transfer in		<u>17,000</u>	-	<u>17,000</u>
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)	5,079	(615)	1,406	5,870
Fund balance, January 1	<u>20,134</u>	<u>20,416</u>	<u>14,192</u>	<u>54,742</u>
Fund balance, December 31	<u>\$ 25,213</u>	<u>\$ 19,801</u>	<u>\$ 15,598</u>	<u>\$ 60,612</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
 CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2017**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Lottery proceeds	\$ 7,000	\$ 7,224	\$ 224
Interest	8	11	3
Total revenues	<u>7,008</u>	<u>7,235</u>	<u>227</u>
Expenditures			
Park and pool maintenance	<u>7,008</u>	<u>2,156</u>	<u>4,852</u>
Total expenditures	<u>7,008</u>	<u>2,156</u>	<u>4,852</u>
Excess (deficiency) to fund equity	-	5,079	5,079
Fund equity, January 1	<u>20,730</u>	<u>20,134</u>	<u>(596)</u>
Fund equity, December 31	<u>\$ 20,730</u>	<u>\$ 25,213</u>	<u>\$ 4,483</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Fines	\$ 100	\$ 131	\$ 31
Contributions	700	500	(200)
Transfer from general fund	17,000	17,000	-
Interest	20	13	(7)
Miscellaneous/grants	5,780	3,500	(2,280)
Total revenues	<u>23,600</u>	<u>21,144</u>	<u>(2,456)</u>
Expenditures			
Salaries	12,500	12,071	429
Employee benefits	1,000	923	77
Books and subscriptions	4,400	2,868	1,532
Supplies and miscellaneous	5,700	5,897	(197)
Total expenditures	<u>23,600</u>	<u>21,759</u>	<u>1,841</u>
Excess (deficiency) to fund equity	-	(615)	(615)
Fund equity, January 1	<u>20,354</u>	<u>20,416</u>	<u>62</u>
Fund equity, December 31	<u>\$ 20,354</u>	<u>\$ 19,801</u>	<u>\$ (553)</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
LAW ENFORCEMENT ASSISTANCE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Surcharge fees	\$ 3,000	\$ 1,935	\$ (1,065)
Miscellaneous/Grants	500		(500)
Total revenues	<u>3,500</u>	<u>1,935</u>	<u>(1,565)</u>
Expenditures			
Equipment and supplies	1,750	209	1,541
Training	1,750	320	1,430
Total expenditures	<u>3,500</u>	<u>529</u>	<u>2,971</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,406	1,406
Fund equity, January 1	<u>13,094</u>	<u>14,192</u>	<u>1,098</u>
Fund equity, December 31	<u>\$ 13,094</u>	<u>\$ 15,598</u>	<u>\$ 2,504</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
VOLUNTEER FIREMEN PENSION PLAN
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Revenues			
Interest	\$ 145	\$ 147	\$ 2
Contributions: State	1,400	1,555	155
Total revenues	<u>1,545</u>	<u>1,702</u>	<u>157</u>
Expenditures			
Pensions paid	3,600	3,360	240
Death benefit	345	-	345
Total expenditures	<u>3,945</u>	<u>3,360</u>	<u>585</u>
Excess (deficiency) of revenues over expenditures	<u>(2,400)</u>	<u>(1,658)</u>	<u>742</u>
Other financing sources (uses)			
Transfer from general fund	<u>2,400</u>	<u>2,000</u>	<u>(400)</u>
Total other financing sources (uses)	<u>2,400</u>	<u>2,000</u>	<u>(400)</u>
Excess (deficiency) of revenues and other financing sources over expend. and other uses	-	342	342
Reserve for Retirement Benefits, January 1	<u>77,628</u>	<u>77,734</u>	<u>106</u>
Reserve for Retirement Benefits, December 31	<u>\$ 77,628</u>	<u>\$ 78,076</u>	<u>\$ 448</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
Water sales	\$ 194,000	\$ 202,282	\$ 8,282
Interest	500	567	67
Other	1,500	17,037	15,537
Undesignated reserves	11,300	-	(11,300)
Total receipts	<u>207,300</u>	<u>219,886</u>	<u>12,586</u>
Disbursements			
System operations			
Fuel and power	13,000	10,391	2,609
Salaries	41,400	41,400	-
Supplies	600	136	464
Employee benefits	13,600	12,856	744
System maintenance			
Maintenance	33,700	10,359	23,341
Supplies and treatment	3,000	381	2,619
General and Administrative			
Insurance	4,500	4,000	500
Audit and publication	2,100	2,000	100
Utilities	2,000	1,289	711
Supplies	1,000	856	144
Salaries	31,200	30,600	600
Employee benefits	20,200	19,604	596
Capital outlay	36,000	6,642	29,358
Other	-	196	(196)
Transfer to other funds	5,000	5,000	-
Total disbursements	<u>207,300</u>	<u>145,710</u>	<u>61,590</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ 74,176</u>	<u>\$ 74,176</u>

See accompanying notes to financial statements.

TOWN OF HUGO, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
Sewer use charge	\$ 78,000	\$ 94,410	\$ 16,410
Interest	250	278	28
Other	294,350	22,452	(271,898)
Total receipts	<u>372,600</u>	<u>117,140</u>	<u>(255,460)</u>
Disbursements			
Salaries	34,700	30,988	3,712
Maintenance and supplies	15,000	21,099	(6,099)
Utilities	3,000	2,948	52
Employee benefits	22,400	19,684	2,716
Capital outlay	295,500	48,256	247,244
Transfer to other funds	2,000	2,000	-
Total disbursements	<u>372,600</u>	<u>124,975</u>	<u>247,625</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ (7,835)</u>	<u>\$ (7,835)</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
SOLID WASTE DISPOSAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
Collection fees	\$ 78,000	\$ 91,762	\$ 13,762
Interest	200	231	31
Other	100		(100)
Total receipts	<u>78,300</u>	<u>91,993</u>	<u>13,693</u>
Disbursements			
Salary	36,000	36,000	-
Miscellaneous and employee benefits	18,000	16,954	1,046
Maintenance and supplies	9,000	5,504	3,496
Landfill fees	9,800	9,328	472
Fuel	3,500	2,963	537
Transfer to other funds	2,000	2,000	-
Total disbursements	<u>78,300</u>	<u>72,749</u>	<u>5,551</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ 19,244</u>	<u>\$ 19,244</u>

See accompanying notes to financial statements.

**TOWN OF HUGO, COLORADO
STREET LIGHT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2017**

	Original and Final Budget	Actual on Budgetary Basis	Variance
Receipts			
User fees	\$ 17,000	\$ 17,852	\$ 852
Total receipts	<u>17,000</u>	<u>17,852</u>	<u>852</u>
Disbursements			
Electricity	15,000	14,222	778
Capital outlay	2,000	1,822	178
Total disbursements	<u>17,000</u>	<u>16,044</u>	<u>956</u>
Excess of receipts over disbursements	<u>\$ -</u>	<u>\$ 1,808</u>	<u>\$ 1,808</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 2017

This Information From The Records Of (example - City of _ or County of
Town of Hugo, Colorado

Prepared By:
Phone:

Maria Nestor, Town Clerk
(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)	86,036
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	70,468
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	2,200
3. Other local imposts (from page 2)	171,242	c. Other	29,800
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	32,000
5. Transfers from toll facilities	0	4. General administration & miscellaneous	4,000
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	26,000
a. Bonds - Original Issues	0	6. Total (1 through 5)	218,504
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)	171,242	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	47,262	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	218,504	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)	218,504

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	218,504	218,504	undetermined	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

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	147,842	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	23,400	g. Other Misc. Receipts	0
6. Total (1. through 5.)	171,242	h. Other	0
c. Total (a. + b.)	171,242	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	31,715	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	15,547	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.)	15,547	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	47,262	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	86,036	86,036
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	86,036	86,036
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	86,036	86,036
			(Carry forward to page 1)

Notes and Comments: