

Town of Hugo, Colorado

Financial Statements

December 31, 2018

**Town of Hugo, Colorado
Table of Contents
December 31, 2018**

	Page
Table of Contents	i
Independent Auditor’s Report	1
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position - Proprietary Fund	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	10
Statement of Cash Flows - Proprietary Fund	11
Statement of Fiduciary Net Assets – Fiduciary Fund – Fireman Pension Plan	13
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund – Fireman Pension Plan	14
Notes to the Financial Statements	15
Required Supplementary Information:	
Schedule of Revenues and Expenditures - Budget & Actual - General Fund	25
Volunteer Firemen Pension Plan	26

**Town of Hugo, Colorado
Table of Contents
December 31, 2018**

	Page
Other Supplementary Information:	
Balance Sheet – Other Governmental Funds	27
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Non-Major Funds	28
Schedule of Revenues, Expenditures - Budget & Actual - Conservation Trust Fund	29
Schedule of Revenues and Expenditures - Budget & Actual – Library Fund	30
Schedule of Revenues and Expenditures - Budget & Actual – Law Enforcement Assistance Fund	31
Schedule of Revenues and Expenditures - Budget & Actual - Water Fund	32
Schedule of Revenues and Expenditures - Budget & Actual - Sewer Fund	33
Schedule of Revenues and Expenditures - Budget & Actual – Solid Waste Disposal Fund	34
Schedule of Revenues and Expenditures – Budget & Actual – Street Light Fund	35
Local Highway Finance Report	36

***r*farmer, llc**
a certified public accounting and consulting firm

Independent Auditor's Report

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

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 (the "Town"), as of and for the year ended December 31, 2018, and the related 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

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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, as of December 31, 2018, 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 required budgetary comparison information 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.

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be present to supplement the basic financial statements. Such omitted 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 the financial reporting for place the basic financial statements in an appropriate operational, economic, or historical context. The omission of this information does not affect our opinion on the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining, nonmajor, the budgetary comparison information, and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

June 17, 2019

Town of Hugo
Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 515,383	\$ 424,018	\$ 939,401
Investments	311,507	315,976	627,483
Receivables	179,256	105,222	284,478
Capital Assets			
Land and improvements	1,800,260	32,262	1,832,522
Construction in progress	-	172,280	172,280
Buildings and equipment	1,021,236	197,451	1,218,687
Distribution/collection system	-	595,654	595,654
Less: Accumulated Depreciation	<u>(1,356,528)</u>	<u>(427,839)</u>	<u>(1,784,367)</u>
Total Capital Assets	<u>1,464,968</u>	<u>569,808</u>	<u>2,034,776</u>
Total Assets	<u>2,471,114</u>	<u>1,415,024</u>	<u>3,886,138</u>
LIABILITIES			
Accounts payable and accrued expenses	3,530	26,096	29,626
Customer deposits	-	60,655	60,655
Total liabilities	3,530	86,751	90,281
Deferred In-Flows of Resources			
Deferred property taxes	<u>126,000</u>	<u>-</u>	<u>126,000</u>
NET POSITION			
Net investment in capital assets	1,464,968	569,808	2,034,776
Unrestricted	876,616	758,465	1,635,081
Total net position	<u>\$ 2,341,584</u>	<u>\$ 1,328,273</u>	<u>\$ 3,669,857</u>

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
Primary government				Governmental Activities	Business-type Activities	Total
Governmental activities						
General Government	\$ 180,107	\$ 12,413	\$ -	\$ -	\$ -	\$ (167,694)
Public Safety	138,722	11,414	-	6,000	-	(121,308)
Public Works	58,340	-	-	-	-	(58,340)
Health and welfare	94,234	-	-	-	-	(94,234)
Culture and Recreation	90,262	143	81,594	-	-	(8,525)
Total governmental activities	<u>561,665</u>	<u>23,970</u>	<u>81,594</u>	<u>6,000</u>	<u>-</u>	<u>(450,101)</u>
Business-type activities:						
Water	167,960	209,207	16,630	-	57,877	57,877
Sewer	78,668	140,221	-	102,662	164,215	164,215
Solid Waste Disposal	78,960	92,330	-	-	13,370	13,370
Street Light	14,157	17,518	-	-	3,361	3,361
Total business-type activities	<u>339,745</u>	<u>459,276</u>	<u>16,630</u>	<u>102,662</u>	<u>238,823</u>	<u>238,823</u>
Total primary government	<u>\$ 901,410</u>	<u>\$ 483,246</u>	<u>\$ 98,224</u>	<u>\$ 108,662</u>	<u>\$ 238,823</u>	<u>\$ (211,278)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				\$ 368,893	\$ -	\$ 368,893
Fines				130,807	-	130,807
Unrestricted investment earnings				604	358	962
Miscellaneous				53,025	-	53,025
Transfers				9,000	(9,000)	-
Total general revenues, special items, and transfers				<u>562,329</u>	<u>(8,642)</u>	<u>553,687</u>
Change in net position				112,228	230,181	342,409
Net position - beginning				2,229,356	1,098,092	3,327,448
Net position - ending				<u>\$ 2,341,584</u>	<u>\$ 1,328,273</u>	<u>\$ 3,669,857</u>

The accompanying notes to financial statements are an integral part of these statements.

**Town of Hugo
Balance Sheet
Governmental Funds
December 31, 2018**

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 447,284	\$ 68,100	\$ 515,384
Investments	311,507	-	311,507
Taxes receivable, net	127,210	-	127,210
Receivable from other governments	27,372	-	27,372
Other receivables	24,674	-	24,674
Total assets	938,047	68,100	1,006,147
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	3,530	-	3,530
Total liabilities	3,530	-	3,530
Deferred in-flows of resources			
Deferred property taxes	126,000	-	126,000
Total deferred in-flows	126,000	-	126,000
Fund balance:			
Unassigned	808,517	-	808,517
Assigned			
Special revenue funds	-	68,100	68,100
Total fund balance	808,517	68,100	876,617
Total liabilities and fund balance	\$ 938,047	\$ 68,100	\$ 1,006,147

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2018

Total fund balances, governmental funds	\$	876,617
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		1,464,968
Rounding		(1)
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>2,341,584</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 368,893	\$ -	\$ 368,893
Sales and miscellaneous taxes	-	820	820
Fees and fines	130,807	11,557	142,364
Licenses and permits	2,726	-	2,726
Intergovernmental	67,372	19,402	86,774
Charges for services	9,687	-	9,687
Investment earnings	575	29	604
Miscellaneous	53,025	-	53,025
Total revenues	<u>633,085</u>	<u>31,808</u>	<u>664,893</u>
EXPENDITURES			
Current:			
General government	112,210	-	112,210
Public Safety	137,153	1,569	138,722
Public Works	58,340	-	58,340
Health and sanitation and Human Services	84,929	-	84,929
Culture and recreation	55,588	33,352	88,940
Capital Outlay	154,040	6,401	160,441
Total Expenditures	<u>602,260</u>	<u>41,322</u>	<u>643,582</u>
Excess (deficiency) of revenues over expenditures	<u>30,825</u>	<u>(9,514)</u>	<u>21,311</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	9,000	17,000	26,000
Transfers out	<u>(17,000)</u>	<u>-</u>	<u>(17,000)</u>
Total other financing sources and uses	<u>(8,000)</u>	<u>17,000</u>	<u>9,000</u>
Net change in fund balance	22,825	7,486	30,311
Fund balance - beginning	785,692	60,614	846,306
Fund balance - ending	<u>\$ 808,517</u>	<u>\$ 68,100</u>	<u>\$ 876,617</u>

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds: \$ 30,311

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of \$160,441 is more than depreciation of \$78,523 in the current period.

81,918

Rounding

Change in net positions of governmental activities

(1)
\$ 112,228

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Statement of Net Position
Proprietary Funds
December 31, 2018

	Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Disposal	Street Light	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 216,303	\$ 106,939	\$ 60,738	\$ 40,038	\$ 424,018
Investments	147,895	71,307	96,774	-	315,976
Accounts Receivable, net	42,591	35,162	23,091	4,378	105,222
Total current assets	<u>406,789</u>	<u>213,408</u>	<u>180,603</u>	<u>44,416</u>	<u>845,216</u>
Non-current assets:					
Capital Assets:					
Land	17,969	14,293	-	-	32,262
Construction in Progress	27,453	144,827	-	-	172,280
Buildings and equipment	123,489	20,309	53,653	-	197,451
Distribution/collection system	385,764	203,881	-	6,009	595,654
Less Accumulated depreciation	(291,205)	(82,095)	(53,653)	(886)	(427,839)
Total non-current assets	<u>263,470</u>	<u>301,215</u>	<u>-</u>	<u>5,123</u>	<u>569,808</u>
Total assets	<u><u>670,259</u></u>	<u><u>514,623</u></u>	<u><u>180,603</u></u>	<u><u>49,539</u></u>	<u><u>1,415,024</u></u>
LIABILITIES					
Current Liabilities:					
Accounts payable	6,828	16,694	1,426	1,148	26,096
Customer deposits	60,655	-	-	-	60,655
Total current liabilities	<u>67,483</u>	<u>16,694</u>	<u>1,426</u>	<u>1,148</u>	<u>86,751</u>
Total liabilities	<u>67,483</u>	<u>16,694</u>	<u>1,426</u>	<u>1,148</u>	<u>86,751</u>
NET POSITION					
Net investment in capital assets	263,470	301,215	-	5,123	569,808
Unrestricted	339,306	196,714	179,177	43,268	758,465
Total net position	<u><u>\$ 602,776</u></u>	<u><u>\$ 497,929</u></u>	<u><u>\$ 179,177</u></u>	<u><u>\$ 48,391</u></u>	<u><u>\$ 1,328,273</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

	Enterprise Funds				Total
	Water Fund	Sewer Fund	Solid Waste Disposal	Street Light	
OPERATING REVENUES					
Charges for services	\$ 204,145	\$ 140,221	\$ 92,330	\$ 17,518	\$ 454,214
Miscellaneous revenue	5,062	-	-	-	5,062
Total operating revenues	<u>209,207</u>	<u>140,221</u>	<u>92,330</u>	<u>17,518</u>	<u>459,276</u>
OPERATING EXPENSES					
Personal services	107,951	50,123	58,191	-	216,265
Fuel, power, and utilities	12,057	2,563	3,808	13,887	32,315
Repairs and maintenance	27,331	-	-	-	27,331
Other supplies and expenses	1,262	22,700	6,440	-	30,402
Insurance claims and expenses	3,633	-	-	-	3,633
Audit and publication	1,800	-	-	-	1,800
Miscellaneous expenses	100	-	10,521	-	10,621
Depreciation	13,826	3,282	-	270	17,378
Total Operating Expenses	<u>167,960</u>	<u>78,668</u>	<u>78,960</u>	<u>14,157</u>	<u>339,745</u>
Operating income (loss)	<u>41,247</u>	<u>61,553</u>	<u>13,370</u>	<u>3,361</u>	<u>119,531</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	-	276	82	-	358
Grants	16,630	102,662	-	-	119,292
Total non-operating revenue (expenses)	<u>16,630</u>	<u>102,938</u>	<u>82</u>	<u>-</u>	<u>119,650</u>
Income (loss) before contributions and transfers	57,877	164,491	13,452	3,361	239,181
OTHER FINANCING SOURCES (USES)					
Transfers out	(5,000)	(2,000)	(2,000)	-	(9,000)
Change in net position	52,877	162,491	11,452	3,361	230,181
Total net position - beginning	549,899	335,438	167,725	45,030	1,098,092
Total net position - ending	<u>\$ 602,776</u>	<u>\$ 497,929</u>	<u>\$ 179,177</u>	<u>\$ 48,391</u>	<u>\$ 1,328,273</u>

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo
Statement of Cash Flows
Proprietary Fund Types
for the year ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	Water	Sewer	Solid Waste Disposal	Street Light	Total
Cash Received from Charges for Services	\$ 204,142	\$ 129,449	\$ 92,626	\$ 18,023	\$ 444,240
Cash Received from Miscellaneous Sources	5,062	-	-	-	5,062
Cash Payments to Suppliers for Goods & Services	(40,562)	(9,206)	(20,769)	(13,897)	(84,434)
Cash Payments for Salaries & Benefits	(107,951)	(50,123)	(58,191)	-	(216,265)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>60,691</u>	<u>70,120</u>	<u>13,666</u>	<u>4,126</u>	<u>148,603</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:					
Purchase (maturity) of Investments	1,017	-	-	-	1,017
Purchase of Fixed Assets	(27,440)	(144,827)	-	-	(172,267)
Proceeds from Capital Grant	16,630	102,662	-	-	119,292
Increase in Customer Deposits	1,616	-	-	-	1,616
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(8,177)</u>	<u>(42,165)</u>	<u>-</u>	<u>-</u>	<u>(50,342)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Transfer of Cash	(5,000)	(2,000)	(2,000)	-	(9,000)
Interest Received on Investment	-	276	82	-	358
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(5,000)</u>	<u>(1,724)</u>	<u>(1,918)</u>	<u>-</u>	<u>(8,642)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	47,514	26,231	11,748	4,126	89,619
Cash & Cash Equivalents:					
Beginning of Year	<u>168,789</u>	<u>80,708</u>	<u>48,990</u>	<u>35,912</u>	<u>334,399</u>
End of Year	<u>\$ 216,303</u>	<u>\$ 106,939</u>	<u>\$ 60,738</u>	<u>\$ 40,038</u>	<u>\$ 424,018</u>

The accompanying notes to financial statements
are an integral part of these statements.

**Town of Hugo
Statement of Cash Flows
Proprietary Fund Types
for the year ended December 31, 2018
(continued)**

RECONCILIATION OF OPERATING

INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES:

	Water	Sewer	Solid Waste Disposal	Street Light	Total
Operating Income (Loss)	\$ 41,247	\$ 61,553	\$ 13,370	\$ 3,361	\$ 119,531
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:					
Depreciation	13,826	3,282	-	270	17,378
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivables:	(3)	(10,772)	296	505	(9,974)
Increase (Decrease) in Accounts Payable	5,621	16,057	-	(10)	21,668
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 60,691	\$ 70,120	\$ 13,666	\$ 4,126	\$ 148,603

Analysis of cash:

Cash on hand and in banks	216,303	106,939	60,738	40,038	424,018
TOTAL	\$ 216,303	\$ 106,939	\$ 60,738	\$ 40,038	\$ 424,018

The accompanying notes to financial statements
are an integral part of these statements.

**Town of Hugo
Statement of Fiduciary Net Assets
Fiduciary Fund-Fireman Pension Plan
December 31, 2018**

	<u>Fireman Pension Plan</u>
ASSETS	
Cash and cash equivalents	\$ 78,223
Total assets	<u>78,223</u>
NET ASSETS	
Restricted for pensions	<u>78,223</u>
	<u>\$ 78,223</u>

**NOTE: All assets were transferred to the Hugo Fire Protection District effective
January 1, 2019**

The accompanying notes to financial statements
are an integral part of these statements

Town of Hugo
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds-Fireman Pension Plan
For the Year Ended December 31, 2018

	<u>Fireman Pension</u> <u>Plan</u>
ADDITIONS	
Contributions:	
State contribution	\$ 1,590
Town contribution	2,010
Total contributions	3,600
Investment earnings:	
Interest	147
Total net investment earnings	147
Total additions	3,747
 DEDUCTIONS	
Pensions paid	3,600
Total deductions	3,600
Change in net assets	147
Net assets - beginning	78,076
Net assets - ending	\$ 78,223

The accompanying notes to financial statements
are an integral part of these statements.

Town of Hugo, Colorado
Notes to the Financial Statements
December 31, 2018

Note 1 Summary of Significant Accounting Policies

The Town of Hugo, Colorado (the Town) 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 principles. The more significant of the Town's 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, Colorado 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, Colorado. 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 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 instead as general revenues.

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 financial 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 taxes 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 for 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.

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 reposts 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.

Non-major 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.

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. Effective January 1, 2019, the voters approved a fire district and the Town transferred all assets of the Pension Fund to the district.

Budgets and Encumbrances

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. The Conservation Trust Fund overspent its budget, which may be a violation of Colorado Revised Statutes.

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.

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, 2018 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.

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 (PDPA) 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, 2018, the Town’s cash deposits had a bank balance of \$1,645,107 and a corresponding carry balance as follows:

Deposits covered by federal insurance	\$ 250,000
Deposits covered by collateral required by the Act	1,395,107
	<u>\$ 1,645,107</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 and 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 \$78,523 has been recorded on the governmental activities capital assets for the year ended December 31, 2018.

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 \$17,378 was recorded during the year ended December 31, 2018 in the enterprise funds.

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance Jan 1, 2018	Additions	Retirements	Balance Dec 31, 2018
<u>Governmental activities:</u>				
Land and improvements	\$ 1,664,476	\$ 135,784	\$ -	\$ 1,800,260
Buildings	262,411	-	-	262,411
Service vehicles	245,207	13,256	-	258,463
Equipment	485,961	11,401	-	497,362
	<u>2,658,055</u>	<u>160,441</u>	<u>-</u>	<u>2,818,496</u>
Less accumulated depreciation				
Improvements	397,761	55,568	-	453,329
Buildings	227,490	1,874	-	229,364
Service Vehicles	232,062	11,244	-	243,306
Equipment	420,692	9,837	-	430,529
	<u>1,278,005</u>	<u>78,523</u>	<u>-</u>	<u>1,356,528</u>
Net governmental activities capital assets	<u>\$ 1,380,050</u>	<u>\$ 81,918</u>	<u>\$ -</u>	<u>\$ 1,461,968</u>
<u>Business-type activities:</u>				
Land	\$ 32,262	\$ -	\$ -	\$ 32,262
Buildings and equipment	197,451	-	-	197,451
Distribution/collection system	595,667	-	-	595,667
	<u>825,380</u>	<u>-</u>	<u>-</u>	<u>825,380</u>
Less accumulated depreciation				
Buildings and equipment	134,099	(2,128)	-	136,227
Distribution/collection system	276,362	(15,250)	-	291,612
	<u>410,461</u>	<u>(17,378)</u>	<u>-</u>	<u>427,839</u>
Net business-type activities capital assets	<u>\$ 414,919</u>	<u>\$ (17,378)</u>	<u>\$ -</u>	<u>\$ 397,541</u>

Note 4**Interfund Transfers**

Fund	Transfer In	Transfer Out
General	\$ 5,000 (a) 2,000 (c) 2,000 (d)	\$ 17,000 (b)
Total General	9,000	17,000
Water		5,000 (a)
Library	17,000 (b)	
Sewer		2,000 (c)
Trash		2,000 (d)
Firemen Pension		
Total All Funds	\$ 26,000	\$ 26,000

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, 2018 equaled \$98,335. Covered employees are required to contribute 9.5 percent of their salary. The Town is required to contribute 8 percent of eligible employee salaries. Total Town contribution for 2018 equaled \$2,010. 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.

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 percent of each eligible employee's compensation, up to applicable Internal Revenue Code limits. All employee contributions are immediately vested, and Town contributions vest over a four-year period (25 percent per year). Non-vested Town contributions are forfeited upon termination of employment. Such forfeitures are used to offset a portion of the Town's future contributions.

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 2018, total additions to the plan equaled \$3,600 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:

Year	Town Contribution	State Contribution	Percentage Contributed
2018	\$2,010	\$1,590	100%
2017	\$2,000	\$1,555	100%
2016	\$2,000	\$1,505	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 percent, both equaling \$78,223.

Note 7 Sales Tax

During 1988 the Town passed a 2 percent sales tax ordinance that became effective on July 1, 1988. The funds collected are restricted to storm drainage and street improvements. The sales tax revenue is included in the General Fund. For 2018, sales tax revenue equaled \$160,494 and expenditures were \$135,784.

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 emissions 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 17, 2019, which is the date the financial statements were available to be issued.

Required Supplementary Information

**Town of Hugo
Budget and Actual
General
For the year ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 332,000	\$ 332,000	\$ 368,893
Fees and fines	105,000	105,000	130,807
Licenses and permits	2,350	2,350	2,726
Intergovernmental	55,000	55,000	67,372
Charges for services	8,000	8,000	9,687
Investment earnings	1,500	1,500	575
Miscellaneous	63,000	63,000	53,025
Total revenues	<u>566,850</u>	<u>566,850</u>	<u>633,085</u>
EXPENDITURES			
Current:			
General government	123,000	123,000	112,210
Public Safety	152,100	152,100	137,153
Highways and roads	64,200	64,200	58,340
Health	111,800	111,800	84,929
Culture and recreation	68,500	68,500	55,588
Contingency	20,598	20,598	-
Capital Outlay	147,000	147,000	154,040
Total Expenditures	<u>687,198</u>	<u>687,198</u>	<u>602,260</u>
Excess (deficiency) of revenues over expenditures	<u>(120,348)</u>	<u>(120,348)</u>	<u>30,825</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	9,000	9,000	9,000
Transfers out	(20,000)	(20,000)	(17,000)
Total other financing sources and uses	<u>(11,000)</u>	<u>(11,000)</u>	<u>(8,000)</u>
Net change in fund balance	(131,348)	(131,348)	22,825
Fund balance - beginning	723,508	723,508	785,692
Fund balance - ending	<u>\$ 592,160</u>	<u>\$ 592,160</u>	<u>\$ 808,517</u>

Town of Hugo, Colorado
Volunteer Firemen Pension Plan
Schedules Required by GASB
Last 10 Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Plan fiduciary net position										
Contributions - Town	\$ 2,010	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Contributions - State of Colorado	1,590	1,555	1,505	1,524	1,472	1,448	1,479	1,475	1,495	1,476
Interest income	147	147	146	145	145	142	139	469	941	1,335
Benefit payments	(3,600)	(3,360)	(3,120)	(2,520)	(2,520)	(2,520)	(2,070)	(1,800)	(1,800)	(1,800)
Net change in plan fiduciary net position	147	342	531	1,149	1,097	1,070	1,548	2,144	2,636	3,011
Plan fiduciary net position - beginning	78,076	77,734	77,203	76,054	74,957	73,887	72,339	70,195	67,559	64,548
Plan fiduciary net position - ending (b)	\$ 78,223	\$ 78,076	\$ 77,734	\$ 77,203	\$ 76,054	\$ 74,957	\$ 73,887	\$ 72,339	\$ 70,195	\$ 67,559
Total pension liability (a)	\$ 78,223	\$ 78,076	\$ 77,734	\$ 77,203	\$ 76,054	\$ 74,957	\$ 73,887	\$ 72,339	\$ 70,195	\$ 67,559

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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual rate of return on investments	0.001%	0.190%	0.190%	0.190%	0.190%	0.190%	0.190%	0.670%	1.390%	2.070%

Other Supplementary Information

**Town of Hugo
Balance Sheet
Other Governmental Funds
December 31, 2018**

	Law Enforcement Assistance	Conservation Trust	Library	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 25,042	\$ 24,219	\$ 18,839	\$ 68,100
Total assets	<u>25,042</u>	<u>24,219</u>	<u>18,839</u>	<u>68,100</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Assigned	25,042	24,219	18,839	68,100
Fund balance	<u>25,042</u>	<u>24,219</u>	<u>18,839</u>	<u>68,100</u>
Total liabilities and fund balance	<u>\$ 25,042</u>	<u>\$ 24,219</u>	<u>\$ 18,839</u>	<u>\$ 68,100</u>

Town of Hugo
Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended December 31, 2018

	Law Enforcement Assistance	Conservation Trust	Library	Total-Other Governmental Funds
REVENUES				
Sales and miscellaneous taxes	\$ -	\$ -	\$ 820	\$ 820
Fees and fines	11,414	-	143	11,557
Intergovernmental	6,000	7,402	6,000	19,402
Investment earnings	-	15	14	29
Total revenues	<u>17,414</u>	<u>7,417</u>	<u>6,977</u>	<u>31,808</u>
EXPENDITURES				
Current:				
Public Safety	1,569	-	-	1,569
Culture and recreation	-	8,411	24,941	33,352
Capital Outlay	6,401	-	-	6,401
Total Expenditures	<u>7,970</u>	<u>8,411</u>	<u>24,941</u>	<u>41,322</u>
Excess (deficiency) of revenues over expenditures	<u>9,444</u>	<u>(994)</u>	<u>(17,964)</u>	<u>(9,514)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	17,000	17,000
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>17,000</u>
Net change in fund balance	9,444	(994)	(964)	7,486
Fund balance - beginning	15,598	25,213	19,803	60,614
Fund balance - ending	<u>\$ 25,042</u>	<u>\$ 24,219</u>	<u>\$ 18,839</u>	<u>\$ 68,100</u>

**Town of Hugo
Budget and Actual
Conservation Trust
For the year ended December 31, 2018**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 6,800	\$ 6,800	\$ 7,402
Investment earnings	8	8	15
Total revenues	<u>6,808</u>	<u>6,808</u>	<u>7,417</u>
EXPENDITURES			
Current:			
Culture and recreation	6,808	6,808	8,411
Capital Outlay	-	-	-
Total Expenditures	<u>6,808</u>	<u>6,808</u>	<u>8,411</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(994)</u>
Net change in fund balance	-	-	(994)
Fund balance - beginning	21,742	21,742	25,213
Fund balance - ending	<u>\$ 21,742</u>	<u>\$ 21,742</u>	<u>\$ 24,219</u>

**Town of Hugo
Budget and Actual
Library
For the year ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Sales and miscellaneous taxes	700	700	820
Fees and fines	100	100	143
Intergovernmental	6,000	6,000	6,000
Investment earnings	20	20	14
Total revenues	<u>6,820</u>	<u>6,820</u>	<u>6,977</u>
EXPENDITURES			
Current:			
Culture and recreation	26,700	26,700	24,941
Total Expenditures	<u>26,700</u>	<u>26,700</u>	<u>24,941</u>
Excess (deficiency) of revenues over expenditures	<u>(19,880)</u>	<u>(19,880)</u>	<u>(17,964)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	17,000	17,000	17,000
Total other financing sources and uses	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>
Net change in fund balance	(2,880)	(2,880)	(964)
Fund balance - beginning	19,656	19,656	19,803
Fund balance - ending	<u>\$ 16,776</u>	<u>\$ 16,776</u>	<u>\$ 18,839</u>

**Town of Hugo
Budget and Actual
Law Enforcement Assistance
For the year ended December 31, 2018**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Fees and fines	\$ 7,000	\$ 7,000	\$ 11,414
Intergovernmental	6,000	6,000	6,000
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>17,414</u>
EXPENDITURES			
Current:			
Public Safety	2,000	2,000	1,569
Capital Outlay	11,000	11,000	6,401
Total Expenditures	<u>13,000</u>	<u>13,000</u>	<u>7,970</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>9,444</u>
Net change in fund balance	-	-	9,444
Fund balance - beginning	15,292	15,292	15,598
Fund balance - ending	<u>\$ 15,292</u>	<u>\$ 15,292</u>	<u>\$ 25,042</u>

**Town of Hugo
Budget and Actual
Water Fund
For the year ended December 31, 2018**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	\$ 194,000	\$ 194,000	\$ 204,145
Grants	110,000	110,000	16,630
Miscellaneous	2,000	2,000	5,062
Total revenues	<u>306,000</u>	<u>306,000</u>	<u>225,837</u>
EXPENDITURES			
Personal services	108,000	108,000	107,951
Fuel, power, and utilities	14,000	14,000	12,057
Repairs and maintenance	28,000	28,000	27,331
Other supplies and expenses	4,600	4,600	1,262
Insurance claims and expenses	4,000	4,000	3,633
Audit and publication	2,300	2,300	1,800
Miscellaneous	-	-	100
Capital outlay	148,000	148,000	23,872
Total Operating Expenses	<u>308,900</u>	<u>308,900</u>	<u>178,006</u>
Operating income (loss)	(2,900)	(2,900)	47,831
OTHER FINANCING SOURCES (USES)			
Transfers out	(5,000)	(5,000)	(5,000)
Total other financing sources and uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
RECONCILING ITEM			
Capital outlay	-	-	23,872
Depreciation	-	-	(13,826)
Net change in net position	(7,900)	(7,900)	66,703
Net position - beginning	279,246	279,246	549,899
Net position - ending	<u>\$ 271,346</u>	<u>\$ 271,346</u>	<u>\$ 616,602</u>

**Town of Hugo
Budget and Actual
Sewer Fund
For the year ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 86,000	\$ 86,000	\$ 140,221
Grants	242,000	242,000	102,662
Investment earnings	100	100	276
Total revenues	<u>328,100</u>	<u>328,100</u>	<u>243,159</u>
EXPENDITURES			
Personal services	53,400	53,400	50,123
Fuel, power, and utilities	3,200	3,200	2,563
Other supplies and expenses	25,500	25,500	22,700
Capital outlay	244,000	244,000	128,327
Depreciation	-	-	3,282
Total Operating Expenses	<u>326,100</u>	<u>326,100</u>	<u>206,995</u>
Operating income (loss)	<u>2,000</u>	<u>2,000</u>	<u>36,164</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,000)	(2,000)	(2,000)
Total other financing sources and uses	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>
RECONCILING ITEM			
Capital outlay			128,327
Net change in net position	-	-	162,491
Net Position - beginning	144,039	144,039	335,438
Net Position - ending	<u>\$ 144,039</u>	<u>\$ 144,039</u>	<u>\$ 497,929</u>

**Town of Hugo
Budget and Actual
Solid Waste Disposal
For the year ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 82,000	\$ 82,000	\$ 92,330
Investment earnings	200	200	82
Total revenues	<u>82,200</u>	<u>82,200</u>	<u>92,412</u>
EXPENDITURES			
Personal services	58,400	58,400	58,191
Fuel, power, and utilities	3,500	3,500	3,808
Other supplies and expenses	10,000	10,000	6,440
Miscellaneous	12,000	12,000	10,521
Total Operating Expenses	<u>83,900</u>	<u>83,900</u>	<u>78,960</u>
Operating income (loss)	(1,700)	(1,700)	13,452
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,000)	(2,000)	(2,000)
Total other financing sources and uses	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net change in net position	(3,700)	(3,700)	11,452
Net position - beginning	142,388	142,388	167,725
Net position - ending	<u>\$ 138,688</u>	<u>\$ 138,688</u>	<u>\$ 179,177</u>

**Town of Hugo
Budget and Actual
Street Light
For the year ended December 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 16,700	\$ 16,700	\$ 17,518
Total revenues	<u>16,700</u>	<u>16,700</u>	<u>17,518</u>
EXPENDITURES			
Fuel, power, and utilities	14,600	14,600	13,887
Capital outlay	2,100	2,100	-
Total Expenditures	<u>16,700</u>	<u>16,700</u>	<u>13,887</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,631</u>
Net change in net position	-	-	3,631
Net position - beginning	35,006	35,006	45,030
Net position - ending	<u>\$ 35,006</u>	<u>\$ 35,006</u>	<u>\$ 48,661</u>

LOCAL HIGHWAY FINANCE REPORT		City or County: Hugo
		YEAR ENDING : December 2018
This Information From The Records Of Town of Hugo	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)	135,784
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	58,340
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	0
3. Other local imposts (from page 2)	177,380	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	17,516
a. Bonds - Original Issues		6. Total (1 through 5)	211,640
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	177,380	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	34,260	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	211,640	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	211,640

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	211,640	211,640	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2018

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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	160,494	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	16,886	g. Other Misc. Receipts	0
6. Total (1. through 5.)	177,380	h. Other	
c. Total (a. + b.)	177,380	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	30,635	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	3,625	d. Federal Transit Admin	
d. Other (Specify) - CDOT bridge	0	e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	
f. Total (a. through e.)	3,625	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	34,260	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
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		135,784	135,784
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	135,784	135,784
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	135,784	135,784
			(Carry forward to page 1)

Notes and Comments: