

**Town of Hugo, Colorado**

**Financial Statements**

**December 31, 2019**

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*Independent Auditor's Report*

Honorable Mayor and Board of Trustee  
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, (the "Town"), as of and for the year ended December 31, 2019, 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, 2019, 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 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 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 placing 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 accompanying supplementary information including the combining and individual nonmajor fund financial statements, budgetary comparison information, and the Local Highway Finance Report as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*rfarmer, llc*

May 15, 2020

**Town of Hugo  
Statement of Net Position  
December 31, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Equivalents	\$ 600,253	\$ 537,101	\$ 1,137,354
Investments	311,507	316,290	627,797
Receivables	175,727	117,719	293,446
<b>Capital Assets</b>			
Land and improvements	1,800,260	97,413	1,897,673
Construction in progress	-	335,075	335,075
Buildings and equipment	1,089,830	195,696	1,285,526
Distribution/collection system	-	545,899	545,899
Less: Accumulated Depreciation	(1,435,051)	(445,433)	(1,880,484)
Total Capital Assets	<u>1,455,039</u>	<u>728,650</u>	<u>2,183,689</u>
Total Assets	<u>2,542,526</u>	<u>1,699,760</u>	<u>4,242,286</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	5,048	3,111	8,159
Customer deposits	-	60,265	60,265
Total liabilities	<u>5,048</u>	<u>63,376</u>	<u>68,424</u>
<b>Deferred In-Flows of Resources</b>			
Deferred property taxes	<u>133,918</u>	<u>-</u>	<u>133,918</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,455,039	751,210	2,206,249
Unrestricted	948,521	885,174	1,833,695
Total net position	<u>\$ 2,403,560</u>	<u>\$ 1,636,384</u>	<u>\$ 4,039,944</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, 2019**

<b>Functions/Programs</b>	<b>Program Revenue</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government</b>		
					<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Primary government</b>							
<b>Governmental activities</b>							
General Government	\$ 185,074	\$ 16,750	\$ -	\$ -	\$ (168,324)	\$ -	\$ (168,324)
Public Safety	101,824	1,289	-	-	(100,535)	-	(100,535)
Public Works	60,786	-	-	-	(60,786)	-	(60,786)
Health and welfare	67,144	-	-	-	(67,144)	-	(67,144)
Culture and Recreation	80,392	93	81,788	-	1,489	-	1,489
Total governmental activities	495,220	18,132	81,788	-	(395,300)	-	(395,300)
<b>Business-type activities:</b>							
Water	159,794	210,846	49,878	-	-	100,930	100,930
Sewer	80,523	187,324	-	91,444	-	198,245	198,245
Solid Waste Disposal	79,092	93,112	-	-	-	14,020	14,020
Street Light	14,395	17,517	-	-	-	3,122	3,122
Total business-type activities	333,804	508,799	49,878	91,444	-	316,317	316,317
Total primary government	\$ 829,024	\$ 526,931	\$ 131,666	\$ 91,444	(395,300)	316,317	(78,983)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes					\$ 385,635	\$ -	\$ 385,635
Fines					16,012	-	16,012
Unrestricted investment earnings					385	795	1,180
Miscellaneous					46,244	-	46,244
Transfers					9,000	(9,000)	-
Total general revenues, special items, and transfers					457,276	(8,205)	449,071
Change in net position					61,976	308,112	370,088
Net position - beginning					2,341,584	1,328,272	3,669,856
Net position - ending					\$ 2,403,560	\$ 1,636,384	\$ 4,039,944

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

**Town of Hugo  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 532,287	\$ 67,965	\$ 600,252
Investments	311,507	-	311,507
Taxes receivable, net	133,918	-	133,918
Receivable from other governments	15,283	-	15,283
Other receivables	26,526	-	26,526
Total assets	1,019,521	67,965	1,087,486
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	5,048	-	5,048
Total liabilities	5,048	-	5,048
Deferred in-flows of resources			
Deferred property taxes	133,918	-	133,918
Total deferred in-flows	133,918	-	133,918
Fund balance:			
Unassigned	880,556	-	880,556
Assigned			
Special revenue funds	-	67,965	67,965
Total fund balance	880,556	67,965	948,521
Total liabilities and fund balance	\$ 1,019,522	\$ 67,965	\$ 1,087,487

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, 2019**

Total fund balances, governmental funds	\$	948,521
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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.	<u>1,455,039</u>
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Net Position of Governmental Activities in the Statement of Net Position	<u>\$</u>	<u>2,403,560</u>
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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, 2019**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ 385,635	\$ -	\$ 385,635
Sales and miscellaneous taxes	-	2,280	2,280
Fees and fines	16,012	1,382	17,394
Licenses and permits	5,960	-	5,960
Intergovernmental	67,059	12,448	79,507
Charges for services	10,790	-	10,790
Investment earnings	331	53	384
Miscellaneous	46,244	-	46,244
Total revenues	<u>532,031</u>	<u>16,163</u>	<u>548,194</u>
<b>EXPENDITURES</b>			
Current:			
General government	114,842	-	114,842
Public Safety	100,606	1,217	101,823
Public Works	60,786	-	60,786
Health and sanitation and Human Services	60,197	-	60,197
Culture and recreation	51,610	27,438	79,048
Capital Outlay	63,451	5,143	68,594
Total Expenditures	<u>451,492</u>	<u>33,798</u>	<u>485,290</u>
Excess (deficiency) of revenues over expenditures	<u>80,539</u>	<u>(17,635)</u>	<u>62,904</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	9,000	17,500	26,500
Transfers out	<u>(17,500)</u>	<u>-</u>	<u>(17,500)</u>
Total other financing sources and uses	<u>(8,500)</u>	<u>17,500</u>	<u>9,000</u>
Net change in fund balance	72,039	(135)	71,904
Fund balance - beginning	808,517	68,100	876,617
Fund balance - ending	<u>\$ 880,556</u>	<u>\$ 67,965</u>	<u>\$ 948,521</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, 2019**

Net change in fund balances - total governmental funds: \$ 71,904

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 \$68,594 is less than depreciation of \$78,523 in the current period. (9,929)

Rounding 1  
Change in net positions of governmental activities \$ 61,976

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

**Town of Hugo**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2019**

	<b>Enterprise Funds</b>				<b>Total</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste Disposal</b>	<b>Street Light</b>	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 253,235	\$ 170,008	\$ 72,388	\$ 41,471	\$ 537,102
Investments	147,895	71,307	97,088	-	316,290
Accounts Receivable, net	43,674	46,540	23,142	4,363	117,719
Total current assets	<u>444,804</u>	<u>287,855</u>	<u>192,618</u>	<u>45,834</u>	<u>971,111</u>
Non-current assets:					
Capital Assets:					
Land	17,969	79,444	-	-	97,413
Construction in Progress	83,697	251,378	-	-	335,075
Buildings and equipment	132,493	9,550	53,653	-	195,696
Distribution/collection system	385,764	152,130	-	8,005	545,899
Less Accumulated depreciation	<u>(305,031)</u>	<u>(85,593)</u>	<u>(53,653)</u>	<u>(1,156)</u>	<u>(445,433)</u>
Total non-current assets	<u>314,892</u>	<u>406,909</u>	<u>-</u>	<u>6,849</u>	<u>728,650</u>
Total assets	<u><u>759,696</u></u>	<u><u>694,764</u></u>	<u><u>192,618</u></u>	<u><u>52,683</u></u>	<u><u>1,699,761</u></u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	725	237	980	1,169	3,111
Customer deposits	60,265	-	-	-	60,265
Total current liabilities	<u>60,990</u>	<u>237</u>	<u>980</u>	<u>1,169</u>	<u>63,376</u>
Total liabilities	<u>60,990</u>	<u>237</u>	<u>980</u>	<u>1,169</u>	<u>63,376</u>
<b>NET POSITION</b>					
Net investment in capital assets	320,995	423,366	-	6,849	751,210
Unrestricted	377,711	271,161	191,638	44,665	885,175
Total net position	<u><u>\$ 698,706</u></u>	<u><u>\$ 694,527</u></u>	<u><u>\$ 191,638</u></u>	<u><u>\$ 51,514</u></u>	<u><u>\$ 1,636,385</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, 2019**

	<b>Enterprise Funds</b>				<b>Total</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste Disposal</b>	<b>Street Light</b>	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 199,631	\$ 187,324	\$ 93,112	\$ 17,517	\$ 497,584
Miscellaneous revenue	11,215	-	-	-	11,215
<b>Total operating revenues</b>	<b>210,846</b>	<b>187,324</b>	<b>93,112</b>	<b>17,517</b>	<b>508,799</b>
<b>OPERATING EXPENSES</b>					
Personal services	109,850	49,105	59,978	-	218,933
Fuel, power, and utilities	10,637	2,965	3,080	14,125	30,807
Repairs and maintenance	17,538	-	-	-	17,538
Other supplies and expenses	1,516	24,955	4,930	-	31,401
Insurance claims and expenses	3,300	-	-	-	3,300
Audit and publication	3,049	-	-	-	3,049
Miscellaneous expenses	78	-	11,104	-	11,182
Depreciation	13,826	3,498	-	270	17,594
<b>Total Operating Expenses</b>	<b>159,794</b>	<b>80,523</b>	<b>79,092</b>	<b>14,395</b>	<b>333,804</b>
<b>Operating income (loss)</b>	<b>51,052</b>	<b>106,801</b>	<b>14,020</b>	<b>3,122</b>	<b>174,995</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenue	-	354	441	-	795
Grants	49,878	91,444	-	-	141,322
<b>Total non-operating revenue (expenses)</b>	<b>49,878</b>	<b>91,798</b>	<b>441</b>	<b>-</b>	<b>142,117</b>
<b>Income (loss) before contributions and transfers</b>	<b>100,930</b>	<b>198,599</b>	<b>14,461</b>	<b>3,122</b>	<b>317,112</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(5,000)	(2,000)	(2,000)	-	(9,000)
<b>Change in net position</b>	<b>95,930</b>	<b>196,599</b>	<b>12,461</b>	<b>3,122</b>	<b>308,112</b>
<b>Total net position - beginning</b>	<b>602,776</b>	<b>497,928</b>	<b>179,177</b>	<b>48,392</b>	<b>1,328,273</b>
<b>Total net position - ending</b>	<b>\$ 698,706</b>	<b>\$ 694,527</b>	<b>\$ 191,638</b>	<b>\$ 51,514</b>	<b>\$ 1,636,385</b>

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, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste Disposal</b>	<b>Street Light</b>	<b>Total</b>
Cash Received from Charges for Services	\$ 198,548	\$ 175,946	\$ 93,061	\$ 17,532	\$ 485,087
Cash Received from Miscellaneous Sources	11,215	-	-	-	11,215
Cash Payments to Suppliers for Goods & Services	(42,221)	(44,377)	(19,560)	(14,104)	(120,262)
Cash Payments for Salaries & Benefits	(109,850)	(49,105)	(59,978)	-	(218,933)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>57,692</u>	<u>82,464</u>	<u>13,523</u>	<u>3,428</u>	<u>157,107</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>					
Purchase (maturity) of Investments	(1)	-	(314)	-	(315)
Purchase of Fixed Assets	(65,248)	(109,193)	-	(1,995)	(176,436)
Proceeds from Capital Grant	49,878	91,444	-	-	141,322
Increase (Decrease) in Customer Deposits	(389)	-	-	-	(389)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(15,760)</u>	<u>(17,749)</u>	<u>(314)</u>	<u>(1,995)</u>	<u>(35,818)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Transfer of Cash	(5,000)	(2,000)	(2,000)	-	(9,000)
Interest Received on Investment	-	354	441	-	795
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(5,000)</u>	<u>(1,646)</u>	<u>(1,559)</u>	<u>-</u>	<u>(8,205)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	36,932	63,069	11,650	1,433	113,084
<b>Cash &amp; Cash Equivalents:</b>					
Beginning of Year	<u>216,303</u>	<u>106,939</u>	<u>60,738</u>	<u>40,038</u>	<u>424,018</u>
End of Year	<u>\$ 253,235</u>	<u>\$ 170,008</u>	<u>\$ 72,388</u>	<u>\$ 41,471</u>	<u>\$ 537,102</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, 2019**  
**(continued)**

**RECONCILIATION OF OPERATING**

<b>INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste Disposal</b>	<b>Street Light</b>	<b>Total</b>
Operating Income (Loss)	\$ 51,052	\$ 106,801	\$ 14,020	\$ 3,122	\$ 174,995
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:					
Depreciation	13,826	3,498	-	270	17,594
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivables:	(1,083)	(11,378)	(51)	15	(12,497)
Increase (Decrease) in Accounts Payable	(6,103)	(16,457)	(446)	21	(22,985)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 57,692</b>	<b>\$ 82,464</b>	<b>\$ 13,523</b>	<b>\$ 3,428</b>	<b>\$ 157,107</b>
Analysis of cash:					
Cash on hand and in banks	253,235	170,008	72,388	41,471	537,102
<b>TOTAL</b>	<b>\$ 253,235</b>	<b>\$ 170,008</b>	<b>\$ 72,388</b>	<b>\$ 41,471</b>	<b>\$ 537,102</b>

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

**Town of Hugo, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2019**

**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 activity 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 funds. 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 Water Fund, Sewer Fund, Solid Waste Disposal Fund and Street Light Fund are classified as Enterprise Funds.

#### 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.

### Capital Assets

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 assets as and improvements. Maintenance, repairs, and minor renewals are charged as expenditures when incurred. Major additions and betterments are capitalized.

### 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, 2019, 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.

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, 2019, the Town’s cash deposits had a bank balance of \$1,137,354 and a corresponding carry balance as follows:

Deposits covered by federal insurance	\$ 250,000
Deposits covered by collateral required by the Act	887,354
	<u>\$ 1,137,354</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.

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, 2019.

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 \$17,594 was recorded during the year ended December 31, 2019 in the enterprise funds.

Capital asset activity for the year ended December 31, 2019 was as follows:

	<b>Balance Jan 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance Dec 31, 2019</b>
<b>Governmental Activities:</b>				
Land and Improvements	\$ 1,800,260	\$ -	\$ -	\$ 1,800,260
Buildings	262,411	39,417	-	301,828
Service Vehicles	258,463	24,033	-	282,496
Equipment	497,362	8,144	-	505,506
	<u>2,818,496</u>	<u>71,594</u>	<u>-</u>	<u>2,890,090</u>
Less Accumulated Depreciation				-
Improvements	453,329	(55,568)	-	508,897
Buildings	229,364	(1,874)	-	231,238
Service Vehicles	243,306	(11,244)	-	254,550
Equipment	430,529	(9,837)	-	440,366
	<u>1,356,528</u>	<u>(78,523)</u>	<u>-</u>	<u>1,435,051</u>
Net Governmental Activities				-
Capital Assets	<u>\$ 1,461,968</u>	<u>\$ (6,929)</u>	<u>\$ -</u>	<u>\$ 1,455,039</u>
	<b>Balance Jan 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance Dec 31, 2019</b>
<b>Business-Type Activities:</b>				
Land	\$ 32,262	\$ 65,151	\$ -	\$ 32,262
Buildings and Equipment	197,451	-	(1,755)	197,451
Distribution/Collection System	595,667	15,383	(65,151)	595,667
	<u>825,380</u>	<u>80,534</u>	<u>(66,906)</u>	<u>825,380</u>
Less Accumulated Depreciation				
Buildings and Equipment	136,227	(2,344)	-	136,227
Distribution/Collection System	291,612	(15,250)	-	291,612
	<u>427,839</u>	<u>(17,594)</u>	<u>-</u>	<u>427,839</u>
Net Business-Type Activities				
Capital Assets	<u>\$ 397,541</u>	<u>\$ 62,940</u>	<u>\$ (66,906)</u>	<u>\$ 397,541</u>

The Town has \$357,635 of construction in progress relating to the possible water and sewer project.

**Note 4****Interfund Transfers**

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 5,000 (a) 2,000 (c) 2,000 (d)	\$ 17,500 (b)
Total General	9,000	17,500
Water		5,000 (a)
Library	17,500 (b)	
Sewer		2,000 (c)
Trash		2,000 (d)
Firemen Pension		
Total All Funds	<u>\$ 26,500</u>	<u>\$ 26,500</u>

**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, 2019 equaled \$66,827. 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 2019 equaled zero. 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**

Effective January 1, 2019, all assets the Town had in their Volunteer Firemen Pension were transferred to the newly created Fire District.

**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 2019, sales tax revenue equaled \$183,927 and expenditures were \$39,417.

**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.

**Required Supplementary Information**

**Town of Hugo**  
**Budget and Actual**  
**General**  
**For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 343,000	\$ 343,000	\$ 385,635
Fees and fines	120,000	120,000	16,012
Licenses and permits	16,350	16,350	5,960
Intergovernmental	63,400	63,400	67,059
Charges for services	8,800	8,800	10,790
Investment earnings	1,500	1,500	331
Miscellaneous	32,000	32,000	46,244
Total revenues	<u>585,050</u>	<u>585,050</u>	<u>532,031</u>
<b>EXPENDITURES</b>			
Current:			
General government	135,900	135,900	114,842
Public Safety	169,820	169,820	100,606
Highways and roads	65,500	65,500	60,786
Health	111,800	111,800	60,197
Culture and recreation	51,700	51,700	51,610
Contingency	21,697	21,697	-
Capital Outlay	171,000	171,000	63,451
Total Expenditures	<u>727,417</u>	<u>727,417</u>	<u>451,492</u>
Excess (deficiency) of revenues over expenditures	<u>(142,367)</u>	<u>(142,367)</u>	<u>80,539</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	9,000	9,000	9,000
Transfers out	(17,500)	(17,500)	(17,500)
Total other financing sources and uses	<u>(8,500)</u>	<u>(8,500)</u>	<u>(8,500)</u>
Net change in fund balance	(150,867)	(150,867)	72,039
Fund balance - beginning	150,867	150,867	808,517
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 880,556</u>

**Supplementary Information**

**Town of Hugo  
Balance Sheet  
Other Governmental Funds  
December 31, 2019**

	<b>Law Enforcement Assistance</b>	<b>Conservation Trust</b>	<b>Library</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,971	\$ 27,337	\$ 20,657	\$ 67,965
Total assets	<u>19,971</u>	<u>27,337</u>	<u>20,657</u>	<u>67,965</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Assigned	19,971	27,337	20,657	67,965
Fund balance	<u>19,971</u>	<u>27,337</u>	<u>20,657</u>	<u>67,965</u>
Total liabilities and fund balance	<u>\$ 19,971</u>	<u>\$ 27,337</u>	<u>\$ 20,657</u>	<u>\$ 67,965</u>

**Town of Hugo**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Other Governmental Funds**  
**For the Year Ended December 31, 2019**

	Law Enforcement Assistance	Conservation Trust	Library	Total-Other Governmental Funds
<b>REVENUES</b>				
Sales and miscellaneous taxes	\$ -	\$ -	\$ 2,280	\$ 2,280
Fees and fines	1,289	-	93	1,382
Intergovernmental	-	8,397	4,051	12,448
Investment earnings	-	31	22	53
Total revenues	<u>1,289</u>	<u>8,428</u>	<u>6,446</u>	<u>16,163</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,217	-	-	1,217
Culture and recreation	-	5,310	22,128	27,438
Capital Outlay	5,143	-	-	5,143
Total Expenditures	<u>6,360</u>	<u>5,310</u>	<u>22,128</u>	<u>33,798</u>
Excess (deficiency) of revenues over expenditures	<u>(5,071)</u>	<u>3,118</u>	<u>(15,682)</u>	<u>(17,635)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	17,500	17,500
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>17,500</u>	<u>17,500</u>
Net change in fund balance	(5,071)	3,118	1,818	(135)
Fund balance - beginning	25,042	24,219	18,839	68,100
Fund balance - ending	<u>\$ 19,971</u>	<u>\$ 27,337</u>	<u>\$ 20,657</u>	<u>\$ 67,965</u>

**Town of Hugo  
Budget and Actual  
Conservation Trust  
For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 6,900	\$ 6,900	\$ 8,397
Investment earnings	18	18	31
Total revenues	<u>6,918</u>	<u>6,918</u>	<u>8,428</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	<u>6,918</u>	<u>6,918</u>	<u>5,310</u>
Total Expenditures	<u>6,918</u>	<u>6,918</u>	<u>5,310</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,118</u>
Net change in fund balance	-	-	3,118
Fund balance - beginning	25,623	25,623	24,219
Fund balance - ending	<u>\$ 25,623</u>	<u>\$ 25,623</u>	<u>\$ 27,337</u>

**Town of Hugo  
Budget and Actual  
Library  
For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Sales and miscellaneous taxes	\$ 700	\$ 700	\$ 2,280
Fees and fines	100	100	93
Intergovernmental	3,700	3,700	4,051
Investment earnings	10	10	22
Total revenues	<u>4,510</u>	<u>4,510</u>	<u>6,446</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	24,250	24,250	22,128
Capital Outlay	<u>520</u>	<u>520</u>	<u>-</u>
Total Expenditures	<u>24,770</u>	<u>24,770</u>	<u>22,128</u>
Excess (deficiency) of revenues over expenditures	<u>(20,260)</u>	<u>(20,260)</u>	<u>(15,682)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>
Total other financing sources and uses	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>
Net change in fund balance	(2,760)	(2,760)	1,818
Fund balance - beginning	<u>2,760</u>	<u>2,760</u>	<u>18,839</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,657</u>

**Town of Hugo  
Budget and Actual  
Law Enforcement Assistance  
For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Fees and fines	\$ 7,000	\$ 7,000	\$ 1,289
Intergovernmental	4,000	4,000	-
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>1,289</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	2,000	2,000	1,217
Capital Outlay	<u>9,000</u>	<u>9,000</u>	<u>5,143</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>6,360</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(5,071)</u>
Net change in fund balance	-	-	(5,071)
Fund balance - beginning	20,498	20,498	25,042
Fund balance - ending	<u>\$ 20,498</u>	<u>\$ 20,498</u>	<u>\$ 19,971</u>

**Town of Hugo  
Budget and Actual  
Water Fund  
For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for services	\$ 210,000	\$ 210,000	\$ 199,631
Investment earnings	500	500	-
Grants	1,036,760	1,036,760	49,878
Miscellaneous	882,460	882,460	11,215
Total revenues	<u>2,129,720</u>	<u>2,129,720</u>	<u>260,724</u>
<b>EXPENDITURES</b>			
Personal services	108,700	108,700	109,850
Fuel, power, and utilities	14,500	14,500	10,637
Repairs and maintenance	21,000	21,000	17,538
Other supplies and expenses	4,200	4,200	1,516
Loan payment	43,500	43,500	-
Insurance claims and expenses	4,000	4,000	3,300
Audit and publication	4,100	4,100	3,049
Capital outlay	1,929,720	1,929,720	65,248
Total Operating Expenses	<u>2,129,720</u>	<u>2,129,720</u>	<u>211,216</u>
Operating income (loss)	-	-	49,508
<b>OTHER FINANCING SOURCES (USES)</b>			
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>
<b>RECONCILING ITEM</b>			
Capital outlay	-	-	65,248
Depreciation	-	-	(13,826)
Net change in net position	(5,000)	(5,000)	95,930
Net position - beginning	364,861	364,861	602,776
Net position - ending	<u>\$ 359,861</u>	<u>\$ 359,861</u>	<u>\$ 698,706</u>

**Town of Hugo  
Budget and Actual  
Sewer Fund  
For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 158,000	\$ 158,000	\$ 187,324
Grants	1,122,000	1,122,000	91,444
Investment earnings	400	400	354
Miscellaneous	2,913,366	2,913,366	-
Total revenues	<u>4,193,766</u>	<u>4,193,766</u>	<u>279,122</u>
<b>EXPENDITURES</b>			
Personal services	50,600	50,600	49,105
Fuel, power, and utilities	3,200	3,200	2,965
Other supplies and expenses	25,000	25,000	24,955
Capital outlay	4,040,366	4,040,366	128,327
Loan payment	77,000	77,000	-
Total Operating Expenses	<u>4,196,166</u>	<u>4,196,166</u>	<u>205,352</u>
Operating income (loss)	<u>(2,400)</u>	<u>(2,400)</u>	<u>73,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>
<b>RECONCILING ITEM</b>			
Depreciation	-	-	(3,498)
Capital outlay	-	-	128,327
	<u>-</u>	<u>-</u>	<u>124,829</u>
Net change in net position	(4,400)	(4,400)	196,599
Net Position - beginning	169,715	169,715	497,928
Net Position - ending	<u>\$ 165,315</u>	<u>\$ 165,315</u>	<u>\$ 694,527</u>

**Town of Hugo  
Budget and Actual  
Solid Waste Disposal  
For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 90,000	\$ 90,000	\$ 93,112
Investment earnings	200	200	441
Total revenues	<u>90,200</u>	<u>90,200</u>	<u>93,553</u>
<b>EXPENDITURES</b>			
Personal services	59,300	59,300	59,978
Fuel, power, and utilities	4,800	4,800	3,080
Other supplies and expenses	12,000	12,000	4,930
Miscellaneous	12,100	12,100	11,104
Total Operating Expenses	<u>88,200</u>	<u>88,200</u>	<u>79,092</u>
Operating income (loss)	2,000	2,000	14,461
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>
Total other financing sources and uses	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net change in net position	-	-	12,461
Net position - beginning	152,964	152,964	179,177
Net position - ending	<u>\$ 152,964</u>	<u>\$ 152,964</u>	<u>\$ 191,638</u>

**Town of Hugo  
Budget and Actual  
Street Light  
For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 17,500	\$ 17,500	\$ 17,517
Total revenues	<u>17,500</u>	<u>17,500</u>	<u>17,517</u>
<b>EXPENDITURES</b>			
Fuel, power, and utilities	15,200	15,200	14,125
Capital outlay	<u>2,300</u>	<u>2,300</u>	<u>-</u>
Total Expenditures	<u>17,500</u>	<u>17,500</u>	<u>14,125</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,392</u>
<b>RECONCILING ITEM</b>			
Depreciation	<u>-</u>	<u>-</u>	<u>270</u>
	<u>-</u>	<u>-</u>	<u>270</u>
Net change in net position	-	-	3,122
Net position - beginning	37,612	37,612	48,392
Net position - ending	<u>\$ 37,612</u>	<u>\$ 37,612</u>	<u>\$ 51,514</u>

## ANNUAL HIGHWAY FINANCE REPORT - CY19

Email address: hugotownclerk@esrta.com

City/County: Hugo

Please no commas or dollar signs for the input

### A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	199,773.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	0.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 199,773.00

### B. Private Contributions

\$ 0.00

**II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)**

Please no commas or dollar signs for the input

**A.3. Other local imposts**

a. Property Taxes and Assessments	\$ 0.00
b. Other Local Imposts	
1. Sales Taxes:	\$ 183,928.00
2. Infrastructure and Impact Fees:	\$ 0.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 0.00
5. Specific Ownership and/or Other:	\$ 15,845.00
<b>Total: (a + b) carried to 'Other local imposts' above)</b>	<b>\$ 199,773.00</b>

**A.4. Miscellaneous local receipts**

Please no commas or dollar signs for the input

a. Interest on Investments:	\$ 0.00
b. Traffic fines & Penalties:	\$ 0.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 0.00
f. Charges for Services:	\$ 0.00
g. Other Misc. Receipts:	\$ 0.00
h. Other:	\$ 0.00
<b>Total: (a through h) carried to 'Misc local receipts' above)</b>	<b>\$ 0.00</b>

**C. Receipts from State Government**

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$ 36,982.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 3,688.00
d. Other (Specify):	
Comments: undefined	\$ 0.00
e. Other (Specify):	
Comments: undefined	\$ 0.00
<b>Total: (1+3c,d,e)</b>	<b>\$ 40,670.00</b>

**D. Receipts from Federal Government**

Please no commas or dollar signs for the input

- 2. Other Federal Agencies

a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)		\$ <u>0.00</u>

**II - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

Please no commas or dollar signs for the input

**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. Total Capital Outlay below)	\$	39,417.00
2. Maintenance:	\$	159,026.00
3. Road and street services		
a. Traffic control operations:	\$	10,000.00
b. Snow and ice removal:	\$	0.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	5,000.00
5. Highway law enforcement and safety	\$	27,000.00
Total: (A.1-5)		\$ <u>240,443.00</u>

Please no commas or dollar signs for the input

**B. Debt service on local obligations**

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)		\$ <u>0.00</u>

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
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D. Payments to Toll Facilities:

\$ 0.00

Total Disbursements: <i>(A+B+C+D)</i>	\$ 240,443.00
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	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
<b>A.1. Capital Outlay</b>			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 39,417.00	\$ 39,417.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 39,417.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 39,417.00

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**V - LOCAL ROAD AND STREET FUND BALANCE**

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 240,443.00	\$ 240,443.00	\$ 0.00	\$ 0.00

Notes & Comments:  
undefined

Please enter your name: Maria Nestor

Please provide a telephone number where you may be reached: 719-743-2485