



Town of Hugo, Colorado

Financial Statements

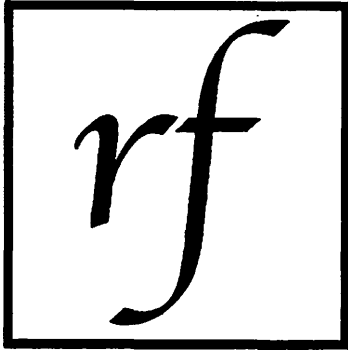
December 31, 2024

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December 31, 2024**

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Independent Auditor's Report

Members of Town Council
Town of Hugo
Hugo CO

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budget to actual information on page 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. Although not a part of the basic financial statements, the management's discussion and analysis 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. The omission of this information does not affect our opinion on the basic financial statements.

Supplementary 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 on pages 28 through 38 is presented for purposes of additional analysis and is 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, Uc

September 8, 2025

Basic Financial Statements

Town of Hugo
Statement of Net Position
December 31, 2024

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|-------------------------------------|---------------------|
| ASSETS | | | |
| Cash and Equivalents | \$ 162,847 | \$ 188,507 | \$ 351,354 |
| Investments | 1,042,432 | 1,107,656 | 2,150,088 |
| Receivables | 259,596 | 61,599 | 321,195 |
| Internal Balances | 72,859 | (72,859) | - |
| Capital Assets: | | | |
| Land and improvements | 2,014,460 | 97,413 | 2,111,873 |
| Construction in progress | - | 964,102 | 964,102 |
| Buildings and equipment | 1,914,142 | 377,243 | 2,291,385 |
| Distribution/collection system | - | 6,924,720 | 6,924,720 |
| Less: Accumulated Depreciation | (1,949,085) | (872,009) | (2,821,094) |
| Total Capital Assets | <u>1,979,517</u> | <u>7,491,469</u> | <u>9,470,986</u> |
| Deferred Outflows: | | | |
| Pension | 84,498 | - | 84,498 |
| Total Assets | <u>3,601,749</u> | <u>8,776,372</u> | <u>12,378,121</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 21,302 | 175 | 21,477 |
| Customer deposits | - | 59,040 | 59,040 |
| Long-term liabilities: | | | |
| Due within one year: | | | |
| Note payable | - | 87,143 | 87,143 |
| Due in more than one year: | | | |
| Note payable | - | 3,199,553 | 3,199,553 |
| Total liabilities | <u>21,302</u> | <u>3,345,911</u> | <u>3,367,213</u> |
| Deferred In-Flows of Resources: | | | |
| Pension | 1,456 | - | 1,456 |
| Deferred property taxes | 174,021 | - | 174,021 |
| Total deferred inflows | <u>175,477</u> | <u>-</u> | <u>175,477</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,979,517 | 4,204,773 | 6,184,290 |
| Unrestricted | 1,425,453 | 1,225,688 | 2,651,141 |
| Total net position | <u>\$ 3,404,970</u> | <u>\$ 5,430,461</u> | <u>\$ 8,835,431</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, 2024**

| 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 | | Total |
| | | | | | Governmental Activities | Business-type Activities | |
| Primary government | | | | | | | |
| Governmental activities: | | | | | | | |
| General Government | \$ 700,074 | \$ 26,748 | \$ 648 | \$ - | \$ (672,678) | \$ - | \$ (672,678) |
| Public Safety | 107,276 | 56,393 | - | 2,531 | (48,352) | - | (48,352) |
| Public Works | 243,292 | - | - | - | (243,292) | - | (243,292) |
| Culture and Recreation | 92,245 | 575 | 286,989 | - | 195,319 | - | 195,319 |
| Total governmental activities | <u>1,142,887</u> | <u>83,716</u> | <u>287,637</u> | <u>2,531</u> | <u>(769,003)</u> | <u>-</u> | <u>(769,003)</u> |
| Business-type activities: | | | | | | | |
| Water | 301,843 | 387,161 | 12,500 | - | - | 97,818 | 97,818 |
| Sewer | 455,250 | 318,968 | - | 976,960 | - | 840,678 | 840,678 |
| Solid Waste Disposal | 164,528 | 141,086 | - | - | - | (23,442) | (23,442) |
| Street Light | 14,867 | 17,832 | - | - | - | 2,965 | 2,965 |
| Total business-type activities | <u>936,488</u> | <u>865,047</u> | <u>12,500</u> | <u>976,960</u> | <u>-</u> | <u>918,019</u> | <u>918,019</u> |
| Total primary government | <u>\$ 2,079,375</u> | <u>\$ 948,763</u> | <u>\$ 300,137</u> | <u>\$ 979,491</u> | <u>(769,003)</u> | <u>918,019</u> | <u>149,016</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes | | | | | \$ 240,517 | \$ - | \$ 240,517 |
| Miscellaneous taxes | | | | | 69,597 | - | 69,597 |
| Franchise fees | | | | | 67,537 | - | 67,537 |
| Fines | | | | | 273,303 | - | 273,303 |
| Sales, Use, and SO taxes | | | | | 282,852 | - | 282,852 |
| Unrestricted investment earnings | | | | | 54,430 | 54,465 | 108,895 |
| Miscellaneous | | | | | 36,865 | - | 36,865 |
| Special item - gain on sale of asset | | | | | 1,204 | - | 1,204 |
| Total general revenues, special items, and transfers | | | | | <u>1,026,305</u> | <u>54,465</u> | <u>1,080,770</u> |
| Change in net position | | | | | 257,302 | 972,484 | 1,229,786 |
| Net position - beginning, restated | | | | | 3,147,668 | 4,457,977 | 7,605,645 |
| Net position - ending | | | | | <u>\$ 3,404,970</u> | <u>\$ 5,430,461</u> | <u>\$ 8,835,431</u> |

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

**Town of Hugo
Balance Sheet
Governmental Funds
December 31, 2024**

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 127,866 | \$ 34,980 | \$ 162,846 |
| Investments | 882,015 | 160,417 | 1,042,432 |
| Taxes receivable, net | 174,021 | - | 174,021 |
| Due from other funds | 73,492 | 1,123 | 74,615 |
| Other receivables | 85,575 | - | 85,575 |
| Total assets | <u>1,342,969</u> | <u>196,520</u> | <u>1,539,489</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | 18,458 | 2,843 | 21,301 |
| Due to other funds | - | 1,756 | 1,756 |
| Total liabilities | <u>18,458</u> | <u>4,599</u> | <u>23,057</u> |
| Deferred in-flows of resources: | | | |
| Deferred property taxes | 174,021 | - | 174,021 |
| Total deferred in-flows | <u>174,021</u> | <u>-</u> | <u>174,021</u> |
| Fund balance: | | | |
| Unassigned | 1,150,490 | - | 1,150,490 |
| Assigned: | | | |
| Special revenue funds | - | 191,921 | 191,921 |
| Total fund balance | <u>1,150,490</u> | <u>191,921</u> | <u>1,342,411</u> |
| Total liabilities and fund balance | <u>\$ 1,342,969</u> | <u>\$ 196,520</u> | <u>\$ 1,539,489</u> |

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, 2024

| | |
|--|----------------------------|
| Total fund balances, governmental funds | \$ 1,342,411 |
| 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. | 1,979,517 |
| Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. | 84,498 |
| Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. | <u>(1,456)</u> |
| Net Position of Governmental Activities in the Statement of Net Position | <u><u>\$ 3,404,970</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, 2024

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|---|---|
| REVENUES | | | |
| Property Taxes | \$ 240,517 | \$ - | \$ 240,517 |
| SO Tax | 18,479 | - | 18,479 |
| Sales taxes | 264,372 | - | 264,372 |
| Fines | 273,303 | 56,393 | 329,696 |
| Licenses and permits | 16,807 | - | 16,807 |
| Intergovernmental | 333,568 | 31,227 | 364,795 |
| Charges for services | 9,941 | 575 | 10,516 |
| Investment earnings | 52,187 | 2,244 | 54,431 |
| Miscellaneous | 45,084 | 328 | 45,412 |
| Franchise Fees | 67,537 | - | 67,537 |
| Total revenues | <u>1,321,795</u> | <u>90,767</u> | <u>1,412,562</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 578,675 | - | 578,675 |
| Public Safety | 102,069 | 10,565 | 112,634 |
| Public Works | 243,292 | - | 243,292 |
| Culture and recreation | 36,299 | 55,946 | 92,245 |
| Capital Outlay | 194,325 | - | 194,325 |
| Total Expenditures | <u>1,154,660</u> | <u>66,511</u> | <u>1,221,171</u> |
| Excess (deficiency) of revenues over expenditures | <u>167,135</u> | <u>24,256</u> | <u>191,391</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 18,500 | 18,500 |
| Transfers out | (18,500) | - | (18,500) |
| Total other financing sources and uses | <u>(18,500)</u> | <u>18,500</u> | <u>-</u> |
| SPECIAL ITEM | | | |
| Proceeds from sale of land | 1,204 | - | 1,204 |
| Net change in fund balance | 149,839 | 42,756 | 192,595 |
| Fund balance - beginning | 1,000,651 | 149,165 | 1,149,816 |
| Fund balance - ending | <u>\$ 1,150,490</u> | <u>\$ 191,921</u> | <u>\$ 1,342,411</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, 2024

Net change in fund balances - total governmental funds: \$ 192,595

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 \$194,325 is more than depreciation of \$122,865 in the current period. 71,460

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

FPPA pension income (expense) (6,753)

Change in net positions of governmental activities \$ 257,302

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

**Town of Hugo
Statement of Net Position
Proprietary Funds
December 31, 2024**

| | Enterprise Funds | | | | Total |
|--------------------------------------|-------------------------|---------------------|-----------------------------|---------------------|---------------------|
| | Water Fund | Sewer Fund | Solid Waste Disposal | Street Light | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 21,321 | \$ 25,254 | \$ 12,386 | \$ 45,363 | \$ 104,324 |
| Investments | 610,219 | 497,437 | 84,181 | - | 1,191,837 |
| Accounts Receivable, net | 26,639 | 23,164 | 10,169 | 1,628 | 61,600 |
| Due from other funds | 14,130 | - | - | - | 14,130 |
| Total current assets | 672,309 | 545,855 | 106,736 | 46,991 | 1,371,891 |
| Non-current assets: | | | | | |
| Capital Assets: | | | | | |
| Land | 17,969 | 79,444 | - | - | 97,413 |
| Construction in Progress | - | 964,102 | - | - | 964,102 |
| Buildings and equipment | 192,240 | 9,550 | 175,453 | - | 377,243 |
| Distribution/collection system | 580,089 | 6,327,430 | - | 17,201 | 6,924,720 |
| Less Accumulated depreciation | (390,974) | (380,133) | (93,576) | (7,326) | (872,009) |
| Total non-current assets | 399,324 | 7,000,393 | 81,877 | 9,875 | 7,491,469 |
| Total assets | 1,071,633 | 7,546,248 | 188,613 | 56,866 | 8,863,360 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 175 | - | - | - | 175 |
| Due to other funds | - | 84,514 | 2,475 | - | 86,989 |
| Customer deposits | 59,040 | - | - | - | 59,040 |
| Bonds, notes and loans payable | - | 87,143 | - | - | 87,143 |
| Total current liabilities | 59,215 | 171,657 | 2,475 | - | 233,347 |
| Non-current liabilities: | | | | | |
| Bonds, notes and loans payable | - | 3,199,553 | - | - | 3,199,553 |
| Total non-current liabilities | - | 3,199,553 | - | - | 3,199,553 |
| Total liabilities | 59,215 | 3,371,210 | 2,475 | - | 3,432,900 |
| NET POSITION | | | | | |
| Net investment in capital assets | 399,324 | 3,713,697 | 81,877 | 9,875 | 4,204,773 |
| Unrestricted | 613,094 | 461,341 | 104,261 | 46,991 | 1,225,687 |
| Total net position | \$ 1,012,418 | \$ 4,175,038 | \$ 186,138 | \$ 56,866 | \$ 5,430,460 |

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, 2024

| | Enterprise Funds | | | | Total |
|---|-------------------------|---------------------|---------------------------------|---------------------|--------------------|
| | Water Fund | Sewer Fund | Solid Waste Disposal | Street Light | |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 386,917 | \$ 318,968 | \$ 141,086 | \$ 17,832 | \$ 864,803 |
| Miscellaneous revenue | 244 | 5,123 | - | - | 5,367 |
| Total operating revenues | 387,161 | 324,091 | 141,086 | 17,832 | 870,170 |
| OPERATING EXPENSES | | | | | |
| Personal services | 106,627 | 117,460 | 89,830 | - | 313,917 |
| Fuel, power, and utilities | - | - | 2,975 | 12,188 | 15,163 |
| Repairs and maintenance | 66,902 | - | - | 1,494 | 68,396 |
| Other supplies and expenses | 80,270 | 19,094 | 287 | - | 99,651 |
| Insurance claims and expenses | - | - | 14,861 | - | 14,861 |
| Audit and publication | 28,803 | - | 48,458 | - | 77,261 |
| Miscellaneous expenses | 654 | 157,676 | (3) | - | 158,327 |
| Depreciation | 18,588 | 126,848 | 8,120 | 1,185 | 154,741 |
| Total Operating Expenses | 301,844 | 421,078 | 164,528 | 14,867 | 902,317 |
| Operating income (loss) | 85,317 | (96,987) | (23,442) | 2,965 | (32,147) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Interest and investment revenue | 26,355 | 23,775 | 4,334 | - | 54,464 |
| Capital Grant | 12,500 | 976,960 | - | - | 989,460 |
| Interest expense | - | (39,295) | - | - | (39,295) |
| Total non-operating revenue (expenses) | 38,855 | 961,440 | 4,334 | - | 1,004,629 |
| Income (loss) before contributions and transfers | 124,172 | 864,453 | (19,108) | 2,965 | 972,482 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | 80,788 | - | - | 80,788 |
| Transfers out | - | (80,788) | - | - | (80,788) |
| Change in net position | 124,172 | 864,453 | (19,108) | 2,965 | 972,482 |
| Total net position - beginning | 888,246 | 3,310,585 | 205,246 | 53,901 | 4,457,978 |
| Total net position - ending | \$ 1,012,418 | \$ 4,175,038 | \$ 186,138 | \$ 56,866 | \$5,430,460 |

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, 2024

| | Enterprise Funds | | | | |
|---|-------------------------|------------------|---------------------------------|---------------------|-------------------|
| | Water | Sewer | Solid Waste Disposal | Street Light | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash Received from Charges for Services | \$ 417,093 | \$ 360,982 | \$ 159,655 | \$ 16,510 | \$ 954,240 |
| Cash Received from Miscellaneous Sources | 244 | 5,123 | - | - | 5,367 |
| Cash Payments to Suppliers for Goods & Services | (179,362) | (178,492) | (67,142) | (14,696) | (439,692) |
| Cash Payments for Salaries & Benefits | (106,627) | (117,460) | (89,830) | - | (313,917) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 131,348 | 70,153 | 2,683 | 1,814 | 205,998 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| (Increase) in due from balances | (14,130) | - | - | - | (14,130) |
| Increase in due to balances | - | 84,514 | 2,475 | - | 86,989 |
| NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | (14,130) | 84,514 | 2,475 | - | 72,859 |
| CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES: | | | | | |
| Purchase of Investments | (155,713) | (31,065) | (4,334) | - | (191,112) |
| Purchase of Fixed Assets/ Construction in progress | - | (915,953) | - | - | (915,953) |
| Proceeds from Capital Grant | 12,500 | 976,960 | - | - | 989,460 |
| Payment of principal on long term debt | - | (87,143) | - | - | (87,143) |
| Interest Paid on Long-term Debt | - | (39,295) | - | - | (39,295) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (143,213) | (96,496) | (4,334) | - | (244,043) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest Received on Investment | 26,355 | 23,775 | 4,334 | - | 54,464 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 26,355 | 23,775 | 4,334 | - | 54,464 |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | 360 | 81,946 | 5,158 | 1,814 | 89,278 |
| Cash & Cash Equivalents: | | | | | |
| Beginning of Year | 20,961 | (56,692) | 7,228 | 43,549 | 15,046 |
| End of Year | <u>\$ 21,321</u> | <u>\$ 25,254</u> | <u>\$ 12,386</u> | <u>\$ 45,363</u> | <u>\$ 104,324</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, 2024
(continued)**

| | <u>Enterprise Funds</u> | | | | |
|---|-------------------------|------------------|---------------------------------|---------------------|-------------------|
| | <u>Water</u> | <u>Sewer</u> | <u>Solid Waste Disposal</u> | <u>Street Light</u> | <u>Total</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | | |
| Operating Income (Loss) | \$ 85,317 | \$ (96,987) | \$ (23,442) | \$ 2,965 | \$ (32,147) |
| Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities: | | | | | |
| Depreciation | 18,588 | 126,848 | 8,120 | 1,185 | 154,741 |
| Change in Assets and Liabilities: | | | | | |
| (Increase) Decrease in Accounts Receivables | 30,176 | 42,014 | 18,569 | (1,322) | 89,437 |
| Increase (Decrease) in Accounts Payable | (2,733) | (1,722) | (564) | (1,014) | (6,033) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 131,348</u> | <u>\$ 70,153</u> | <u>\$ 2,683</u> | <u>\$ 1,814</u> | <u>\$ 205,998</u> |
| Analysis of cash: | | | | | |
| Cash on hand and in banks | 21,321 | 25,254 | 12,386 | 45,363 | 104,324 |
| TOTAL | <u>\$ 21,321</u> | <u>\$ 25,254</u> | <u>\$ 12,386</u> | <u>\$ 45,363</u> | <u>\$ 104,324</u> |

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

Town of Hugo, Colorado
Notes to the Financial Statements
December 31, 2024

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.

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.

Budgets were not adopted for the Conservation Trust Fund and the LEAP fund. Due to the funds incurring expenditures during 2024, not adopting budgets may be a violation of Colorado Revised Statutes.

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; 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 curbs, gutters 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.

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.

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.

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.
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.

Statement of Cash Flows

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

Note 2 Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2024, the Town’s cash deposits had a book balance as follows:

| | |
|---|---------------------|
| Deposits covered by federal insurance | \$ 250,000 |
| Deposits covered by collateral required by the PDPA | 1,076,869 |
| COLOTRUST | <u>1,171,991</u> |
| | <u>\$ 2,498,860</u> |

The Town also had cash on hand of \$300 and cash with the County Treasurer of \$2,279.

Note 3 Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|---------------------------------|------------------------------|------------------|--------------------|---------------------------|
| Governmental Activities: | | | | |
| Land and Improvements | \$ 2,125,868 | \$ - | \$ - | \$ 2,125,868 |
| Buildings | 301,828 | - | - | 301,828 |
| Service Vehicles | 321,452 | - | - | 321,452 |
| Equipment | 985,402 | 194,325 | - | 1,170,054 |
| Total | <u>3,734,550</u> | <u>194,325</u> | - | <u>3,928,875</u> |
| Less Accumulated Depreciation | <u>(1,826,493)</u> | <u>(122,865)</u> | - | <u>(1,949,358)</u> |
| Net Governmental Activities | <u>\$ 1,908,057</u> | <u>\$ 71,460</u> | \$ - | <u>\$ 1,979,517</u> |

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|----------------------------------|------------------------------|------------------|--------------------|---------------------------|
| Business-Type Activities: | | | | |
| Land | \$ 97,413 | \$ - | \$ - | \$ 97,413 |
| Buildings and Equipment | 377,244 | - | - | 377,244 |
| Distribution/Collection System | 6,730,394 | 194,325 | - | 6,924,719 |
| Total | <u>7,205,051</u> | <u>194,325</u> | - | <u>7,399,376</u> |
| Less Accumulated Depreciation | <u>(717,268)</u> | <u>(154,741)</u> | - | <u>(872,009)</u> |
| Net Business-Type Activities | <u>\$ 6,487,783</u> | <u>\$ 39,584</u> | \$ - | <u>\$ 6,527,367</u> |

The Town has \$964,102 of construction in progress at year-end.

Note 4**State Fire and Police Pension Plan (FPPA)****Plan Description**

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became Effective January 1, 1980. As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Component of the Statement Retirement Plan.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets Money Purchase Component, and Separate Retirement Account assets from eligible retired members).

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits

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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2.0 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. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB Plan"). Benefit adjustments paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited 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' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent. In 2023, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent. Contributions to the Plan from the Town were approximately \$14,600 for the year ended December 31, 2023.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department, Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported a liability of \$-0- for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2024 actuarial valuation. The Town’s proportion of the net pension asset was based on the Town’s share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the Town’s proportion was 0.00607 percent, which is approximately the same as its proportion measured as of December 31, 2022.

The components of the calculation of the net pension liability/(asset) of the SWDB plan for participating departments as of December 31, 2023 are shown in the following table:

| | Measurement Date December 31, 2023 | Town of Hugo |
|---|---|-------------------------|
| Total Pension Liability (A) | \$ 4,212,130,287 | \$ 670,325 |
| Plan Fiduciary Net Position (B) | 4,212,130,287 | 670,325 |
| Employer’s Net Pension Liability/(Asset) (A-B) | \$ - | \$ - |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B/A) | 100% | 100% |

For the year ended December 31, 2023, the Town recognized pension expense of \$5,296. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 30,308 | \$ 1,456 |
| Changes of assumptions or other inputs | 17,580 | - |
| Net difference between projected and actual earnings on pension plan investments | 21,758 | - |
| Contributions subsequent to the measurement date | 14,853 | - |
| Total | \$ 84,499 | \$ 1,456 |

\$14,853 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31, | Amount |
|------------------------------------|---------------|
| 2024 | \$ 11,767 |
| 2025 | 17,382 |
| 2026 | 24,852 |
| 2027 | 3,376 |
| 2028 | 4,166 |
| Thereafter | \$ 6,646 |

Actuarial Assumptions

The actuarial valuations for the plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

| | Total Pension Liability | Actuarial Defined Contributions |
|-------------------------------------|------------------------------------|--|
| Actuarial Valuation Date | January 1, 2024 | January 1, 2023 |
| Actuarial Method | Entry Age Normal | Entry Age Normal |
| Amortization Method | N/A | Level % Payroll, Open |
| Amortization Period | N/A | 30 Years |
| Long-term investment rate of return | 7.0% | 7.0% |
| Projected salary increases | 4.25% – 11.25% | 4.25% – 11.25% |
| Cost of Living Adjustment | 0% | 0% |
| Inflation | 2.5% | 2.5% |

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2023 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Rate of Return |
|-----------------------|--------------------------|--|
| Global Equity | 35.00% | 8.33% |
| Equity Long/Short | 6.00% | 7.27% |
| Private Markets | 34.00% | 10.31% |
| Fixed Income – Rates | 10.00% | 5.55% |
| Fixed Income – Credit | 5.00% | 5.89% |
| Absolute Return | 9.00% | 6.39% |
| Cash | 1.00% | 4.32% |
| Total | 100% | |

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore,

the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability (Asset) to changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Town’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Simple Discount Rate Assumption (7.00%) | 1% Increase (8.00%) |
|--|--------------------------------|--|--------------------------------|
| Proportionate share of the net pension liability/(asset) | \$ 89,237 | \$ -0- | \$ -0- |

| <u>Collective Pension Plan Expense(Income)</u> | <u>For the Plan Year Ended December 31, 2023</u> |
|--|---|
| Service cost | \$ 9,543 |
| Interest on total pension liability | 16,474 |
| Current-period benefit changes* | 724 |
| IRC 414(h)(2) employer-paid member contributions | (7,037) |
| Member purchases of service credit | (843) |
| Projected earnings on plan investments | (16,178) |
| Pension plan administrative expense | 416 |
| Other changes in plan fiduciary net position | (6) |
| Recognition of outflow of resources due to liabilities | 4,092 |
| Recognition of outflow of resources due to assets | (1,889) |
| Total pension plan expense/(income) | <u>\$ 5,296</u> |

Pension Plan Fiduciary Net Position

Detailed information about the SWDB’s fiduciary net position is available in FPPA’s annual comprehensive financial report, which can be obtained at <https://fppaco.org>

Note 5

Long-Term Debt

The Town is in the process of completing a sewer improvement project. Long-term financing will be provided by United States Department of Agriculture-Rural Development (USDA-RD) through a loan and a grant with additional long-term financing provided by Colorado Water Resources and Power Development Authority, (CWRPDA) Pollution Control Revolving Fund.

Repayment of both loans requires the Town to irrevocably pledge and grant a lien upon the source of repayment which consists of Net Revenue as more fully described in the CWRPDA loan agreement. The Net Revenues are limited to gross revenues derived from the operation and use of the system less operation and maintenance expenses, excluding depreciation and amortization.

The repayment terms of the USDA-RD financing will require monthly payments of principal and interest at an interest rate of 1.25% per annum.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|-------------------|------------------|-------------------|
| 2025 | \$ 7,172 | \$ 4,174 | \$ 11,346 |
| 2026 | 7,263 | 4,083 | 11,346 |
| 2027 | 7,354 | 3,992 | 11,346 |
| 2028 | 7,446 | 3,900 | 11,346 |
| 2029 | 7,540 | 3,806 | 11,346 |
| 2030-2034 | 39,146 | 17,584 | 56,730 |
| 2035-2039 | 41,669 | 15,061 | 56,730 |
| 2040-2044 | 44,356 | 12,374 | 56,730 |
| 2045-2049 | 47,213 | 9,517 | 56,730 |
| 2050-2054 | 50,257 | 6,473 | 56,730 |
| 2055-2059 | 53,498 | 3,232 | 56,730 |
| 2060-2062 | 24,238 | 345 | 24,583 |
| Total | \$ 337,152 | \$ 84,541 | \$ 421,693 |

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|--------------------|-------------------|---------------------|
| 2025 | \$ 32,426 | \$ 18,869 | \$ 51,295 |
| 2026 | 32,834 | 18,461 | 51,295 |
| 2027 | 33,247 | 18,048 | 51,295 |
| 2028 | 33,665 | 17,630 | 51,295 |
| 2029 | 34,088 | 17,207 | 51,295 |
| 2030-2034 | 176,979 | 79,496 | 256,475 |
| 2035-2039 | 188,388 | 68,087 | 256,475 |
| 2040-2044 | 200,531 | 55,944 | 256,475 |
| 2045-2049 | 213,459 | 43,016 | 256,475 |
| 2050-2054 | 227,217 | 29,258 | 256,475 |
| 2055-2059 | 241,864 | 14,611 | 256,475 |
| 2060-2062 | 109,582 | 1,557 | 111,139 |
| Total | \$1,524,280 | \$ 382,184 | \$ 1,906,464 |

The repayment terms for the CWRPDA note call for an initial payment of \$4,492 with principal of \$3,867 and interest of \$625 due on May 1, 2022; then semi-annual payments of \$27,306, principal and interest, due May and November 1 until paid in full. The final payment is due November 1, 2051. The interest rate is 0.50%.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|------------------|---------------------|
| 2025 | \$ 47,783 | \$ 6,829 | \$ 54,612 |
| 2026 | 48,022 | 6,590 | 54,612 |
| 2027 | 48,263 | 6,349 | 54,612 |
| 2028 | 48,504 | 6,108 | 54,612 |
| 2029-33 | 246,189 | 26,871 | 273,060 |
| 2034-38 | 252,413 | 20,647 | 273,060 |
| 2039-43 | 258,795 | 14,265 | 273,060 |
| 2044-48 | 265,338 | 7,722 | 273,060 |
| 2049-2051 | 162,406 | 1,410 | 163,816 |
| Total | <u>\$ 1,377,713</u> | <u>\$ 96,791</u> | <u>\$ 1,474,504</u> |

Note 6 Sales Tax

During 1988 the Town passed a 2% sales tax ordinance that became effective on July 1, 1988. The funds collected are restricted to storm drainage and street improvements. The sales tax revenue is included in the General Fund. For 2024, sales tax revenue was \$264,372 and expenditures for street maintenance were \$137,042.

Note 7 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 8 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 9 Restatement of Net Position

The beginning net positions of the governmental activities and business-type activities were increased by \$5,833 and \$1,359 respectively due to improper recording of transactions during 2023.

Required Supplementary Information

**Town of Hugo
Budget and Actual
General
For the year ended December 31, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|---|-------------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Property Taxes | \$ 194,781 | \$ 194,781 | \$ 240,517 |
| SO Taxes | 16,000 | 16,000 | 18,479 |
| Sales and miscellaneous taxes | 302,721 | 302,721 | 331,909 |
| Fees and fines | 75,500 | 75,000 | 273,303 |
| Licenses and permits | 13,298 | 13,298 | 16,807 |
| Intergovernmental | 2,762,437 | 2,762,437 | 333,568 |
| Charges for services | 345,220 | 345,220 | 9,941 |
| Investment earnings | 5,000 | 5,000 | 52,187 |
| Miscellaneous | 104,000 | 104,000 | 45,084 |
| Total revenues | <u>3,818,957</u> | <u>3,818,457</u> | <u>1,321,795</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 2,119,027 | 2,119,027 | 578,675 |
| Public safety | 669,468 | 669,468 | 102,069 |
| Public works | 663,700 | 663,700 | 243,292 |
| Culture and recreation | 716,416 | 716,416 | 36,299 |
| Capital Outlay | - | - | 194,325 |
| Total Expenditures | <u>4,168,611</u> | <u>4,168,611</u> | <u>1,154,660</u> |
| Excess (deficiency) of revenues over expenditures | <u>(349,654)</u> | <u>(350,154)</u> | <u>167,135</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | - | - | (18,500) |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>(18,500)</u> |
| SPECIAL ITEM | | | |
| Proceeds from sale capital assets | - | - | 1,204 |
| Net change in fund balance | <u>(349,654)</u> | <u>(350,154)</u> | <u>149,839</u> |
| Fund balance - beginning | 771,459 | 771,459 | 1,000,651 |
| Fund balance - ending | <u>\$ 421,805</u> | <u>\$ 421,305</u> | <u>\$ 1,150,490</u> |

Supplementary Information

**Town of Hugo
Balance Sheet
Other Governmental Funds
December 31, 2024**

| | Law Enforcement Assistance | Conservation Trust | Library | Total Governmental Funds |
|-------------------------------------|---|-------------------------------|------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 8,338 | \$ - | \$ 26,642 | \$ 34,980 |
| Investments | 130,485 | 29,932 | - | 160,417 |
| Due from other funds | - | 1,123 | - | 1,123 |
| Total assets | <u>138,823</u> | <u>31,055</u> | <u>26,642</u> | <u>196,520</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | 224 | - | 2,619 | 2,843 |
| Due to other funds | 1,051 | - | 705 | 1,756 |
| Total liabilities | <u>1,275</u> | <u>-</u> | <u>3,324</u> | <u>4,599</u> |
| Fund balance: | | | | |
| Assigned | <u>137,548</u> | <u>31,055</u> | <u>23,318</u> | <u>191,921</u> |
| Fund balance | <u>137,548</u> | <u>31,055</u> | <u>23,318</u> | <u>191,921</u> |
| Total liabilities and fund balance | <u>\$ 138,823</u> | <u>\$ 31,055</u> | <u>\$ 26,642</u> | <u>\$ 196,520</u> |

Town of Hugo
Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended December 31, 2024

| | Law Enforcement Assistance | Conservation Trust | Library | Total-Other Governmental Funds |
|---|---|-------------------------------|------------------|---|
| REVENUES | | | | |
| Fees and fines | \$ 56,393 | \$ - | \$ - | \$ 56,393 |
| Intergovernmental | 2,531 | 12,858 | 15,838 | 31,227 |
| Charges for services | - | - | 575 | 575 |
| Investment earnings | 485 | 1,498 | 261 | 2,244 |
| Miscellaneous | - | - | 328 | 328 |
| Total revenues | 59,409 | 14,356 | 17,002 | 90,767 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | 10,565 | - | - | 10,565 |
| Culture and recreation | - | 18,543 | 37,403 | 55,946 |
| Total Expenditures | 10,565 | 18,543 | 37,403 | 66,511 |
| Excess (deficiency) of revenues over expenditures | 48,844 | (4,187) | (20,401) | 24,256 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 18,500 | 18,500 |
| Total other financing sources and uses | - | - | 18,500 | 18,500 |
| Net change in fund balance | 48,844 | (4,187) | (1,901) | 42,756 |
| Fund balance - beginning | 88,704 | 35,242 | 25,219 | 149,165 |
| Fund balance - ending | \$ 137,548 | \$ 31,055 | \$ 23,318 | \$ 191,921 |

**Town of Hugo
Budget and Actual
Conservation Trust
For the year ended December 31, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|--|-------------------------|--------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Intergovernmental | \$ - | \$ - | \$ 12,858 |
| Investment earnings | - | - | 1,498 |
| Total revenues | <u>-</u> | <u>-</u> | <u>14,356</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Culture and recreation | <u>-</u> | <u>-</u> | <u>18,543</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>18,543</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>(4,187)</u> |
| Net change in fund balance | - | - | (4,187) |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>35,242</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,055</u> |

**Town of Hugo
Budget and Actual
Library
For the year ended December 31, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|--|-------------------------|------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Intergovernmental | \$ 4,500 | \$ 4,500 | \$ 15,838 |
| Charges for services | 900 | 900 | 575 |
| Investment earnings | 12 | 12 | 261 |
| Miscellaneous | 2,500 | 2,500 | 328 |
| Total revenues | <u>7,912</u> | <u>7,912</u> | <u>17,002</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Culture and recreation | <u>27,609</u> | <u>27,609</u> | <u>37,403</u> |
| Total Expenditures | <u>27,609</u> | <u>27,609</u> | <u>37,403</u> |
| Excess (deficiency) of revenues over expenditures | <u>(19,697)</u> | <u>(19,697)</u> | <u>(20,401)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>18,500</u> | <u>18,500</u> | <u>18,500</u> |
| Total other financing sources and uses | <u>18,500</u> | <u>18,500</u> | <u>18,500</u> |
| Net change in fund balance | (1,197) | (1,197) | (1,901) |
| Fund balance - beginning | <u>22,323</u> | <u>22,323</u> | <u>25,219</u> |
| Fund balance - ending | <u>\$ 21,126</u> | <u>\$ 21,126</u> | <u>\$ 23,318</u> |

**Town of Hugo
Budget and Actual
Law Enforcement Assistance
For the year ended December 31, 2024**

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|--|-------------------------|--------------|--|
| | Original | Final | |
| REVENUES | | | |
| Fees and fines | \$ - | \$ - | \$ 56,393 |
| Intergovernmental | - | - | 2,531 |
| Investment earnings | - | - | 485 |
| Total revenues | <u>-</u> | <u>-</u> | <u>59,409</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Safety | <u>-</u> | <u>-</u> | <u>10,565</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>10,565</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>48,844</u> |
| Net change in fund balance | - | - | 48,844 |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>88,704</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 137,548</u> |

**Town of Hugo
Budget and Actual
Water Fund
For the year ended December 31, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|-----------------------------|-------------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Charges for services | \$ 321,000 | \$ 321,000 | \$ 386,917 |
| Investment earnings | 500 | 500 | 26,355 |
| Grants | 7,500 | 7,500 | 12,500 |
| Miscellaneous | 2,000 | 2,000 | 244 |
| Total revenues | <u>331,000</u> | <u>331,000</u> | <u>426,016</u> |
| EXPENDITURES | | | |
| Personal services | 110,518 | 110,518 | 106,627 |
| Fuel, power, and utilities | 18,900 | 18,900 | - |
| Repairs and maintenance | 10,000 | 10,000 | 66,902 |
| Other supplies and expenses | 46,750 | 46,750 | 80,270 |
| Insurance | 6,000 | 6,000 | - |
| Audit and publication | 4,000 | 4,000 | 28,803 |
| Miscellaneous | 3,500 | 3,500 | 654 |
| Capital outlay | 222,500 | 222,500 | - |
| Total Operating Expenses | <u>422,168</u> | <u>422,168</u> | <u>283,256</u> |
| Operating income (loss) | <u>(91,168)</u> | <u>(91,168)</u> | <u>142,760</u> |
| RECONCILING ITEM | | | |
| Depreciation | - | - | <u>(18,588)</u> |
| Net change in net position | (91,168) | (91,168) | 124,172 |
| Net position - beginning | 304,755 | 304,755 | 888,246 |
| Net position - ending | <u>\$ 213,587</u> | <u>\$ 213,587</u> | <u>\$ 1,012,418</u> |

**Town of Hugo
Budget and Actual
Sewer Fund
For the year ended December 31, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|-----------------------------|-------------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Charges for services | \$ 291,745 | \$ 291,745 | \$ 318,968 |
| Grants and loans | 1,473,250 | 1,473,250 | 976,960 |
| Investment earnings | 2,100 | 2,100 | 23,775 |
| Miscellaneous | - | - | 5,123 |
| Total revenues | <u>1,767,095</u> | <u>1,767,095</u> | <u>1,324,826</u> |
| EXPENDITURES | | | |
| Personal services | 110,523 | 110,523 | 117,460 |
| Utilities | 3,500 | 3,500 | - |
| Repairs and maintenance | 29,250 | 29,250 | - |
| Other supplies and expenses | - | - | 19,094 |
| Capital outlay | 1,415,000 | 1,415,000 | 915,953 |
| Insurance | 5,000 | 5,000 | - |
| Debt service principal | 117,312 | 117,312 | 87,143 |
| Interest | 7,067 | 7,067 | 39,295 |
| Miscellaneous Expenses | 13,700 | 13,700 | 157,676 |
| Total Operating Expenses | <u>1,701,352</u> | <u>1,701,352</u> | <u>1,336,621</u> |
| Operating income (loss) | <u>65,743</u> | <u>65,743</u> | <u>(11,795)</u> |
| RECONCILING ITEMS | | | |
| Depreciation | - | - | (126,848) |
| Debt service principal | - | - | 87,143 |
| Capital outlay | - | - | 915,953 |
| | <u>-</u> | <u>-</u> | <u>876,248</u> |
| Net change in net position | 65,743 | 65,743 | 864,453 |
| Net Position - beginning | 251,107 | 251,107 | 3,310,585 |
| Net Position - ending | <u>\$ 316,850</u> | <u>\$ 316,850</u> | <u>\$ 4,175,038</u> |

**Town of Hugo
Budget and Actual
Solid Waste Disposal
For the year ended December 31, 2024**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|-----------------------------|-------------------------|------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Charges for services | \$ 114,000 | \$ 114,000 | \$ 141,086 |
| Investment earnings | 500 | 500 | 4,334 |
| Miscellaneous | 100 | 100 | - |
| Total revenues | <u>114,600</u> | <u>114,600</u> | <u>145,420</u> |
| EXPENDITURES | | | |
| Personal services | 99,503 | 99,503 | 89,830 |
| Fuel, power, and utilities | - | - | 2,975 |
| Utilities | 4,500 | 4,500 | - |
| Repairs and maintenance | 5,000 | 5,000 | - |
| Other supplies and expenses | 13,000 | 13,000 | 48,744 |
| Insurance | 5,000 | 5,000 | 14,861 |
| Miscellaneous | 6,000 | 6,000 | (2) |
| Total Operating Expenses | <u>133,003</u> | <u>133,003</u> | <u>156,408</u> |
| Operating income (loss) | <u>(18,403)</u> | <u>(18,403)</u> | <u>(10,988)</u> |
| RECONCILING ITEM | | | |
| Depreciation | - | - | (8,120) |
| Net change in net position | (18,403) | (18,403) | (19,108) |
| Net position - beginning | 73,383 | 73,383 | 205,246 |
| Net position - ending | <u>\$ 54,980</u> | <u>\$ 54,980</u> | <u>\$ 186,138</u> |

**Town of Hugo
Budget and Actual
Street Light
For the year ended December 31, 2024**

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|--|-------------------------|------------------|--|
| | Original | Final | |
| REVENUES | | | |
| Charges for services | \$ 20,475 | \$ 20,475 | \$ 17,832 |
| Total revenues | <u>20,475</u> | <u>20,475</u> | <u>17,832</u> |
| EXPENDITURES | | | |
| Fuel, power, and utilities | 13,200 | 13,200 | 12,188 |
| Repairs and maintenance | - | - | 1,494 |
| Capital outlay | 3,000 | 3,000 | - |
| Total Expenditures | <u>16,200</u> | <u>16,200</u> | <u>13,682</u> |
| Excess (deficiency) of revenues over expenditures | <u>4,275</u> | <u>4,275</u> | <u>4,150</u> |
| RECONCILING ITEM | | | |
| Depreciation | - | - | 1,185 |
| | <u>-</u> | <u>-</u> | <u>1,185</u> |
| Net change in net position | 4,275 | 4,275 | 2,965 |
| Net position - beginning | 42,344 | 42,344 | 53,901 |
| Net position - ending | <u>\$ 46,619</u> | <u>\$ 46,619</u> | <u>\$ 56,866</u> |

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

| | |
|---|---------------------------------|
| LOCAL HIGHWAY FINANCE REPORT | STATE: COLORADO |
| | YEAR ENDING (mm/yy): 12/2024 |
| This Information From The Records Of: Town of Hugo, Colorado | Prepared By: Sara Lancaster |

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. EXPENDITURES FOR ROAD AND STREET PURPOSES | |
|--|---------------|--|---------------|
| ITEM | AMOUNT | ITEM | AMOUNT |
| A. Receipts from local sources: | | A. Local highway expenditures: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | \$ 240,027.18 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | \$ 20,000.00 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | \$ 5,000.00 |
| 2. General fund appropriations | | b. Snow and ice removal | \$ 10,000.00 |
| 3. Other local imposts (from page 2) | \$ 264,372.46 | c. Other | |
| 4. Miscellaneous local receipts (from page 2) | \$ - | d. Total (a. through c.) | \$ 15,000.00 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | \$ 31,604.00 |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | \$ 306,631.18 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | | 1. Bonds: | |
| d. Total (a. + b. + c.) | \$ - | a. Interest | |
| 7. Total (1 through 6) | \$ 264,372.46 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | \$ - |
| C. Receipts from State government (from page 2) | \$ 42,258.72 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | \$ - | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | \$ 306,631.18 | b. Redemption | |
| | | c. Total (a. + b.) | \$ - |
| | | 3. Total (1.c + 2.c) | \$ - |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total expenditures (A.6 + B.3 + C + D) | \$ 306,631.18 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| A. Bonds (Total) | | | | \$ - |
| 1. Bonds (Refunding Portion) | | | | \$ - |
| B. Notes (Total) | | | | \$ - |

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | | \$ 306,631.18 | \$ 306,631.18 | | \$ - |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/2024

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 | \$ 264,372.46 | 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 | | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | \$ 264,372.46 | h. Other | |
| c. Total (a. + b.) | \$ 264,372.46 | i. Total (a. through h.) | \$ - |
| <i>(Carry forward to page 1)</i> | | <i>(Carry forward to page 1)</i> | |

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|--------------|--|--------|
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes (from Item I.C.5.) | \$ 39,090.50 | 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 | \$ 3,168.22 | d. Federal Transit Administration | |
| d. DOLA Grant | | e. U.S. Corps of Engineers | |
| e. Other | | f. Other Federal ARPA | |
| f. Total (a. through e.) | \$ 3,168.22 | g. Total (a. through f.) | \$ - |
| 4. Total (1. + 2. + 3.f) | \$ 42,258.72 | 3. Total (1. + 2.g) | \$ - |
| <i>(Carry forward to page 1)</i> | | <i>(Carry forward to page 1)</i> | |

III. EXPENDITURES 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 | | | \$ - |
| b. Engineering Costs | | | \$ - |
| c. Construction: | | | |
| (1). New Facilities | | | \$ - |
| (2). Capacity Improvements | | | \$ - |
| (3). System Preservation | | \$ 120,013.59 | \$ 120,013.59 |
| (4). System Enhancement And Operation | | \$ 120,013.59 | \$ 120,013.59 |
| (5). Total Construction (1)+(2)+(3)+(4) | \$ - | \$ 240,027.18 | \$ 240,027.18 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4) | \$ - | \$ 240,027.18 | \$ 240,027.18 |
| <i>(Carry forward to page 1)</i> | | | |

Notes and Comments: