Annual Financial Report

Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2016

Tim Chavies & Associates, Inc.

Certified Public Accountants
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December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 28-32 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pierce, State of Colorado's basic financial statements. The budgetary comparisons on pages 33-38 and the local highway finance report on pages 39-40 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The local highway finance report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tim Chavies & Associates, Inc

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
July 03, 2017

TOWN OF PIERCE
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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

This section of Town of Pierce, State of Colorado's (Town) 2016 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2016. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE
The Town was incorporated in 1918 as a political subdivision of the State of Colorado and operated under a Town Board form of government. The following services are provided by the Town: public safety, public works (streets, trash, communicable disease control, street lighting), parks and recreation, water and sewer service and general administration.

FINANCIAL HIGHLIGHTS
- The net position of the Town increased by $1,457,287 during 2016, compared to prior year increase of $2,123,105. The increase was due to contribution of capital assets in the amount of $505,500, grant money received in the amount of $504,450, increase in sales tax money received and tap fees for new homes in subdivision.

- The Town capitalized $1,771,660 of capital assets, and recorded depreciation of $106,541 during 2016. In 2015 the District capitalized $714,740 and recorded depreciation of $106,054.

- Total revenues for the governmental funds were $530,041 in 2016 compared to $816,417 in 2015, a decrease of $286,376 or 35.08%. Total expenditures were $600,403 in 2016 compared to $530,525 in 2015, an increase of $69,878 or 13.17%.

- Total revenues for the proprietary funds were $970,055 in 2016 compared to $1,721,236 in 2015, a decrease of $751,181 or 43.64%. Total expenditures were $629,344 in 2016 compared to $576,743 in 2015, an increase of $52,601 or 9.12%.

OVERVIEW OF THE FINANCIAL STATEMENTS
The Town's financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting, in a manner similar to the private-sector business.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets and long-term liabilities with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the General Fund and Conservation Trust Fund. The business-type activities of the Town include the Water Fund and Sewer Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains two governmental funds (General and Conservation Trust).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains two proprietary funds (Water and Sewer).

The Town does not have any **Fiduciary Funds.**

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide, business-type activities and fund financial statements.

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed financial information from the **Statement of Net Position** at December 31, 2016:

	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 904,801	$ 2,292,498	$ 3,197,299
Capital assets, net	410,287	5,642,326	6,052,613
Total Assets	**1,315,088**	**7,934,824**	**9,249,912**
Total Deferred Outflows	-	-	-
Current liabilities	15,120	550,507	565,627
Long-term debt outstanding	5,681	533,215	538,896
Total Liabilities	**20,801**	**1,083,722**	**1,104,523**
Unearned revenues - property taxes	71,128	-	71,128
Total Deferred Inflows	**71,128**	-	**71,128**
Net investment in capital assets	410,287	5,065,847	5,476,134
Restricted for Tabor	19,329	-	19,329
Restricted for operations & maintenance	-	64,595	64,595
Unrestricted	793,543	1,720,660	2,514,203
Total Net Position	**$ 1,223,159**	**$ 6,851,102**	**$ 8,074,261**

The restricted portion of net assets ($83,924) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($2,514,203) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2016:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 70,398	$ 950,562	$ 1,020,960
General Revenues:			
Taxes	266,158	-	266,158
Licenses and permits	97,155	-	97,155
Intergovermental revenues	79,932	-	79,932
Fines and forfeitures	10,325	-	10,325
Earnings on investment	2,798	3,820	6,618
Other	144,843	1,047,691	1,192,534
Total Revenues	**671,609**	**2,002,073**	**2,673,682**
Expenses:			
General government	258,842	-	258,842
Public safety	144,333	-	144,333
Public works	117,360	-	117,360
Health and welfare	1	-	1
Parks and recreation	66,515	-	66,515
Other	-	-	-
Water	-	284,016	284,016
Sewer	-	345,328	345,328
Total Expenses	**587,051**	**629,344**	**1,216,395**
Change in Net Position	**84,558**	**1,372,729**	**1,457,287**
Net Position - beginning	1,138,601	5,478,373	6,616,974
Net Position - ending	**$ 1,223,159**	**$ 6,851,102**	**$ 8,074,261**

Net position increased to $8,074,261, an increase of $1,457,287 from 2016. The increase was affected by the Town capital asset donations, grants received, sales tax increase, along with capital outlay of $1,771,660, less depreciation expense of $106,541 and tap fees from development in the subdivision.

FINANCIAL ANALYSIS OF THE FUNDS

Governmental funds: The Town's functions are reported in the General Fund and Conservation Trust Fund. The focus of these funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2016, the Town's governmental funds reported combined ending fund balances of $818,553 an increase of $71,206 in comparison with 2016. Approximately 30.86% of this total amount ($318,081) constitutes *undesignated* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	$ 232,613	$ 26,220	$ 258,833
Water rights	-	1,861,165	1,861,165
Utility systems	-	5,083,756	5,083,756
Buildings and improvements	313,662	-	313,662
Machinery and equipment	267,466	155,981	423,447
Total Capital Assets	**813,741**	**7,127,122**	**7,940,863**
Less: Accumulated depreciation	(403,454)	(1,484,796)	(1,888,250)
Net Capital Assets	**$ 410,287**	**$ 5,642,326**	**$ 6,052,613**

Capital assets – net of depreciation increased $1,665,119 during 2016 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

DEBT ADMINISTRATION

The Town has one outstanding debt obligations with the Colorado Water Resources and Power Development Authority. As of December 31, 2016, the debt was $576,479 compared to $618,943 in 2015, a decrease of $42,464 (See Note 7 for further discussion).

ECONOMIC FACTORS

- The annual budget assures the efficient, effective and economic use of the Town's resources as well as establishing the highest priority objectives are accomplished. Through the budget, the Board of Trustees sets the direction of the Town, allocates its resources, and establishes its priorities. The 2016 budget was approved by the Board of Trustees on December 8, 2015, appropriating $3,089,022 for expenditures.

- Nineteen new residential building permits were issued in 2016. Increasing the projected revenues and allowing matching funds for a water grant to replace outdated water lines. Development fees collected will also allow for park sprinkler system updates and street repairs.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Pat Larson, Town Clerk at 144 Main Street, Pierce, Colorado 80650. Phone (970) 834-2851.

BASIC FINANCIAL STATEMENTS

TOWN OF PIERCE, COLORADO

Statement of Net Position

Government-Wide

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 388,662	$ 964,136	**$ 1,352,798**
Cash with county treasurer	6,125	-	**6,125**
Cash in savings	63,140	569,951	**633,091**
Total Cash	457,927	1,534,087	**1,992,014**
Money market account	354,705	-	**354,705**
Certificates of deposit	-	185,618	**185,618**
Total Investments	354,705	185,618	**540,323**
Accounts receivable	15,678	577,062	**592,740**
Accrued interest receivable	-	106	**106**
Property taxes receivable	71,128	-	**71,128**
Prepaid expenses	446	542	**988**
Internal balances	4,917	(4,917)	**-**
Total Current Assets	904,801	2,292,498	**3,197,299**
Capital Assets:			
Land	232,613	26,220	**258,833**
Water rights	-	1,861,165	**1,861,165**
Utility systems	-	5,083,756	**5,083,756**
Buildings and improvements	313,662	-	**313,662**
Machinery and equipment	267,466	155,981	**423,447**
Total Capital Assets	813,741	7,127,122	**7,940,863**
Less: accumulated depreciation	(403,454)	(1,484,796)	**(1,888,250)**
Net Capital Assets	410,287	5,642,326	**6,052,613**
Total Assets	1,315,088	7,934,824	**9,249,912**
LIABILITIES			
Current Liabilities:			
Accounts payable	13,177	499,863	**513,040**
Payroll taxes payable	1,543	868	**2,411**
Accrued interest payable	-	1,777	**1,777**
Deposits	400	4,735	**5,135**
Current portion of long-term debt	-	43,264	**43,264**
Total Current Liabilities	15,120	550,507	**565,627**
Long Term Liabilities:			
Compensated absences	5,681	-	**5,681**
Note payable - WPCRF loan	-	576,479	**576,479**
Less: portion due within one year	-	(43,264)	**(43,264)**
Total Long Term Liabilities	5,681	533,215	**538,896**
Total Liabilities	20,801	1,083,722	**1,104,523**
DEFERRED INFLOWS			
Unearned revenue - property taxes	71,128	-	**71,128**
NET POSITION			
Net investment in capital assets	410,287	5,065,847	**5,476,134**
Restricted for tabor	19,329	-	**19,329**
Restricted for operations and maintenance	-	64,595	**64,595**
Unrestricted	793,543	1,720,660	**2,514,203**
Total Net Position	$ 1,223,159	$ 6,851,102	**$ 8,074,261**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Activities

Government-Wide

December 31, 2016

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (258,842)	$ -	$ -	$ (258,842)	$ -	**$ (258,842)**
Public safety	(144,333)	-	-	(144,333)	-	**(144,333)**
Public works	(117,360)	59,015	-	(58,345)	-	**(58,345)**
Health and welfare	(1)	583	-	582	-	**582**
Culture - recreation	(66,515)	10,800	-	(55,715)	-	**(55,715)**
Total Governmental Activities	(587,051)	70,398	-	(516,653)	-	**(516,653)**
Business-Type Activities:						
Water fund	(284,016)	569,462	505,500	-	790,946	**790,946**
Sewer fund	(345,328)	381,100	-	-	35,772	**35,772**
Total Business-Type Activities	(629,344)	950,562	505,500	-	826,718	**826,718**
Total Primary Government	$ (1,216,395)	$ 1,020,960	$ 505,500	(516,653)	826,718	**310,065**
General Revenues:						
Taxes				266,158	-	**266,158**
Licenses and permits				97,155	-	**97,155**
Intergovernmental revenue				79,932	-	**79,932**
Fines and forfeitures				10,325	-	**10,325**
Miscellaneous income				3,275	19,493	**22,768**
Sale of assets				40,210	-	**40,210**
Grants				-	504,450	**504,450**
Insurance proceeds				101,358	18,248	**119,606**
Interest income				2,798	3,820	**6,618**
Transfers				-	-	**-**
Contributions				-	-	**-**
Total General Revenues				601,211	546,011	**1,147,222**
Change in Net Position				84,558	1,372,729	**1,457,287**
Net Position-beginning of year				1,138,601	5,478,373	**6,616,974**
Net Position-end of year				$ 1,223,159	$ 6,851,102	**$ 8,074,261**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2016

		General		Conservation Trust (Nonmajor)		Total
ASSETS						
Current Assets:						
Cash on hand and in checking	$	388,662	$	-	$	**388,662**
Cash with county treasurer		6,125		-		**6,125**
Cash in savings		-		63,140		**63,140**
Total Cash		394,787		63,140		**457,927**
Money market account		354,705		-		**354,705**
Certificates of deposit		-		-		**-**
Total Investments		354,705		-		**354,705**
Accounts receivable		15,678		-		**15,678**
Accrued interest receivable		-		-		**-**
Property taxes receivable		71,128		-		**71,128**
Prepaid expenses		446		-		**446**
Due from other funds		4,917		1,200		**6,117**
Total Current Assets		841,661		64,340		**906,001**
Total Assets	$	841,661	$	64,340	$	**906,001**
LIABILITIES						
Current Liabilities:						
Accounts payable	$	13,177	$	-	$	**13,177**
Payroll taxes payable		1,543		-		**1,543**
Deposits		400		-		**400**
Due to other funds		1,200		-		**1,200**
Total Current Liabilities		16,320		-		**16,320**
Total Liabilities		16,320		-		**16,320**
DEFERRED INFLOWS						
Unearned revenue - property taxes		71,128				**71,128**
Total Liabilities & Deferred Inflows		87,448		-		**87,448**
FUND BALANCE						
Non-spendable - prepaid		446		-		**446**
Restricted for tabor		19,329		-		**19,329**
Committed - subsequent year's expenditures		439,347		41,350		**480,697**
Assigned		-		-		**-**
Undesignated		295,091		22,990		**318,081**
Total Fund Balance		754,213		64,340		**818,553**
Total Liabilities, Deferred Inflows & Fund Balance	$	841,661	$	64,340	$	**906,001**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance		$	**818,553**
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:			
Capital assets	813,741		
Less: accumulated depreciation	(403,454)		
			410,287
Accrued compensated absences are not due and payable in the current period, therefore, they are not reported in the fund financial statements			**(5,681)**
Net Position of Governmental Activities		$	**1,223,159**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2016

	General	Conservation Trust (Nonmajor)	Total
Revenues:			
Taxes	$ 266,158	$ -	**$ 266,158**
Licenses and permits	97,155	-	**97,155**
Intergovernmental revenue	70,176	9,756	**79,932**
Charges for services	59,598	10,800	**70,398**
Fines and forfeitures	10,325	-	**10,325**
Miscellaneous revenues	5,826	247	**6,073**
Total Revenues	509,238	20,803	**530,041**
Expenditures:			
Current:			
General government	267,004	-	**267,004**
Public safety	144,057	-	**144,057**
Public works	132,808	-	**132,808**
Health and welfare	1	-	**1**
Culture - recreation	56,533	-	**56,533**
Total Expenditures	600,403	-	**600,403**
Excess (Deficiency) of Revenues over Expenditures	(91,165)	20,803	**(70,362)**
Other Financing Sources (Uses):			
Sale of assets	40,210	-	**40,210**
Contributions	-	-	**-**
Insurance proceeds	101,358	-	**101,358**
Transfers in	8,100	-	**8,100**
Transfers out	-	(8,100)	**(8,100)**
Total Other Financing Sources (Uses)	149,668	(8,100)	**141,568**
Net Change in Fund Balance	58,503	12,703	**71,206**
Fund Balance - beginning of year	695,710	51,637	**747,347**
Fund Balance - End of Year	$ 754,213	$ 64,340	**$ 818,553**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:		
Net Change in Fund Balance - Total Governmental Funds		**$ 71,206**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	**35,003**	
Depreciation expense	**(20,470)**	
		14,533
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**(1,181)**
Change in Net Position of Governmental Activities		**$ 84,558**

TOWN OF PIERCE, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2016

	Business-Type Activities		
	Water	**Sewer**	**Total**
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 964,032	$ 104	**$ 964,136**
Cash in savings	140	569,811	**569,951**
Total Cash	964,172	569,915	**1,534,087**
Certificates of deposit	-	185,618	**185,618**
Total Investments	-	185,618	**185,618**
Accounts receivable	577,062	-	**577,062**
Accrued interest receivable	-	106	**106**
Prepaid expenses	345	197	**542**
Due from other funds	-	300,117	**300,117**
Total Current Assets	1,541,579	1,055,953	**2,597,532**
Capital Assets:			
Land	2,273	23,947	**26,220**
Water rights	1,861,165	-	**1,861,165**
Utility systems	2,323,003	2,760,753	**5,083,756**
Machinery and equipment	47,825	108,156	**155,981**
Total Capital Assets	4,234,266	2,892,856	**7,127,122**
Less: Accumulated depreciation	(801,920)	(682,876)	**(1,484,796)**
Net Capital Assets	3,432,346	2,209,980	**5,642,326**
Total Assets	4,973,925	3,265,933	**8,239,858**
LIABILITIES			
Current Liabilities:			
Accounts payable	485,430	14,433	**499,863**
Payroll taxes payable	434	434	**868**
Accrued interest payable	-	1,777	**1,777**
Deposits	4,735	-	**4,735**
Due to other funds	305,034	-	**305,034**
Current portion of long-term debt	-	43,264	**43,264**
Total Current Liabilities	795,633	59,908	**855,541**
Long Term Liabilities:			
Note payable - WPCRF loan	-	576,479	**576,479**
Less: portion due within one year	-	(43,264)	**(43,264)**
Total Long Term Liabilities	-	533,215	**533,215**
Total Liabilities	795,633	593,123	**1,388,756**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	795,633	593,123	**1,388,756**
NET POSITION			
Net investment in capital assets	3,432,346	1,633,501	**5,065,847**
Restricted for operations and maintenance	-	64,595	**64,595**
Unrestricted:			
Designated for subsequent year's expenditures	174,930	404,921	**579,851**
Undesignated	571,016	569,793	**1,140,809**
Total Net Position	$ 4,178,292	$ 2,672,810	**$ 6,851,102**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2016

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 569,462	$ 381,100	**$ 950,562**
Other revenue	16,023	3,470	**19,493**
Total Operating Revenues	585,485	384,570	**970,055**
Operating Expenses:			
System Operation and Maintenance:			
Salaries	23,486	23,486	**46,972**
Payroll taxes	1,860	1,860	**3,720**
Retirement	490	542	**1,032**
Fuel and power	17,669	26,668	**44,337**
Supplies and expenses	186	1,504	**1,690**
Insurance and bonds	3,791	2,167	**5,958**
Water assessments	14,278	-	**14,278**
Water purchases	109,660	-	**109,660**
Water augmentation	-	-	**-**
Water testing	1,202	-	**1,202**
Lagoon testing	-	14,863	**14,863**
Repairs and maintenance	17,504	120,848	**138,352**
Engineering	7,907	38,554	**46,461**
Total System Operation and Maintenance	198,033	230,492	**428,525**
Administrative and General:			
Salaries	24,450	24,138	**48,588**
Payroll taxes	1,935	1,910	**3,845**
Retirement	1,516	633	**2,149**
Office supplies	2,257	422	**2,679**
Audit and accounting	13,303	7,814	**21,117**
Legal	-	-	**-**
Insurance and bonds	4,912	2,807	**7,719**
Telephone and postage	3,343	1,905	**5,248**
Travel	43	-	**43**
Miscellaneous general expenses	10,793	1,291	**12,084**
Total Administrative and General	62,552	40,920	**103,472**
Depreciation and Amortization	23,431	62,640	**86,071**
Total Operating Expenses	284,016	334,052	**618,068**
Operating Income (Loss)	301,469	50,518	**351,987**
Non-Operating Revenues (Expenses)			
Interest income	802	3,018	**3,820**
Interest expense	-	(11,276)	**(11,276)**
Grant proceeds	504,450	-	**504,450**
Insurance proceeds	-	18,248	**18,248**
Total Non-Operating Revenues (Expenses)	505,252	9,990	**515,242**
Income (Loss) before contributions and transfers	806,721	60,508	**867,229**
Contributions	505,500	-	**505,500**
Transfers In (Out)	-	-	**-**
Change in Net Position	1,312,221	60,508	**1,372,729**
Net Position - beginning of year	2,866,071	2,612,302	**5,478,373**
Net Position - End of Year	$ 4,178,292	$ 2,672,810	**$ 6,851,102**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2016

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 569,462	$ 381,093	**$ 950,555**
Cash payments to employees	(47,936)	(47,624)	**(95,560)**
Cash payments to suppliers	(212,663)	(221,276)	**(433,939)**
Other non-operating revenues	(3,053)	3,470	**417**
Internal activity - payments to other funds	(132,010)	126,005	**(6,005)**
Net Cash Flows From Operating Activities	173,800	241,668	**415,468**
Cash Flows From Non-Capital Financing Activities:			
Operating transfers in	-	-	**-**
Operating transfers out	-	-	**-**
Grants	504,450	-	**504,450**
Insurance proceeds	-	18,248	**18,248**
Net Cash Flows From Non-Capital Financing Activities	504,450	18,248	**522,698**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(1,722,233)	(14,424)	**(1,736,657)**
Proceeds from long-term debt	-	-	**-**
Capital contributions	505,500	-	**505,500**
Principal payments on long-term debt	-	(42,464)	**(42,464)**
Interest payments on long-term debt	-	(11,276)	**(11,276)**
Net Cash Flows From Capital and Related Financing Activities	(1,216,733)	(68,164)	**(1,284,897)**
Cash Flows From Investing Activities:			
Interest on investments	802	3,018	**3,820**
Net Cash Flows From Investing Activities	802	3,018	**3,820**
Net Increase (Decrease) in Cash and Cash Equivalents	(537,681)	194,770	**(342,911)**
Cash and Cash Equivalents - January 1	1,501,853	560,763	**2,062,616**
Cash and Cash Equivalents - December 31	$ 964,172	$ 755,533	**$ 1,719,705**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ 301,469	$ 50,518	**$ 351,987**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	23,431	62,640	**86,071**
Changes in assets and liabilities:			
Receivables	(487,049)	(7)	**(487,056)**
Prepaid expenses	(14)	(8)	**(22)**
Due from other funds	-	128,508	**128,508**
Payables and other accrued expenses	467,973	2,520	**470,493**
Due to other funds	(132,010)	(2,503)	**(134,513)**
Net Cash Flows From Operating Activities	$ 173,800	$ 241,668	**$ 415,468**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Form of Organization

The Town of Pierce, Colorado (Town) was founded on August 30, 1918 as a statutory town. The statutes provide that the Mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, public works (streets, trash, street lighting), parks and recreation, community development and water and sewer service.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices are described below.

Reporting Entity

The reporting entity consists of only the Town, a primary government that is a general purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. The primary government may appoint a simple majority of the organization's governing board or have the ability to impose its will on the organization. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements

GASB Statement No 72, *Fair Value Measurement and Application.* This statement addresses accounting and financial reporting issues related to fair value measurement. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

GASB Statement No 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No 68, and Amendments to Certain Provisions of GASB 67 and 68.* This statement gives guidance to extend the approach to accounting and financial reporting for pension under GASB No 68 to all pensions. In addition, this statement clarifies certain provisions of GASB Statement Nos 67 and 68. The Town has no pension plans, therefore, for year ended December 31, 2016 implementation had no impact to the Town's financial statements.

GASB Statement No 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This statement identifies the hierarchy of generally accepted accounting principles (GAAP) in the context of the current governmental reporting environment. The Town implemented this statement for year ended December 31, 2016 and had no impact to the Town's financial statements.

GASB Statement No 77, *Tax Abatement Disclosures.* This statement addresses financial reporting issued relating to tax abatement agreements. The Town has no tax abatements, therefore, for year ended December 31, 2016 implementation had no impact to the Town's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
New Accounting Pronouncements (continued)
GASB Statement No 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Plans*. This statement addresses an issue relating to the availability of data relating to multiple-employer defined benefit plans that arose during the implementation of GASB Statement No 68. The Town has no pension plans, therefore, for year ended December 31, 2016 implementation had no impact to the Town's financial statements.

GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and their participants. Changes in regulatory provisions referenced in previous GASB statements are the impetus for this statement. The District has no external investment pools, therefore, for year ended December 31, 2016 implementation had no impact to the District's financial statements.

Basic Financial Statements
Government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Government-wide financial statements consist of Statement of Net Position and Statement of Activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Town.

In addition to the government-wide financial statements, the Town has prepared the fund financial statements using the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal year.

The Town reports the following major and non-major **Governmental Funds**:

- **General Fund (major)** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Conservation Trust Fund (nonmajor)** are special revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

The Town reports the following major **Proprietary Fund**:

- **Water Fund (major)** provides water services to the Town citizens and accounts for operations that are financed in a manner similar to private business enterprises.
- **Sewer Fund (major)** provides sewer services to the Town citizens and accounts for operations that are financed in a manner similar to private business enterprises.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities. In addition, budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Basic Financial Statements (continued)
The Town does not have any **Fiduciary Funds**.

Budgets and Budgetary Accounting:
An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with generally accepted accounting principles (GAAP), except that bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Conservation Trust funds and as other supplemental information for the Water and Sewer funds. The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2016:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 945,730	$ -	$ 945,730
Conservation Trust Fund	8,100	-	8,100
Proprietary Funds			
Water Fund	1,577,940	70,000	1,647,940
Sewer Fund	558,152	60,000	618,152
Total Funds	$ 3,089,922	$ 130,000	$ 3,219,922

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before August 25, the County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

The Town incurred expenditures in excess of appropriations in the Water Fund for the year ended December 31, 2016, which may be in violation of the Local Government Budget Law.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designated for Subsequent Year's Expenditures

Designated fund balance is the portion of the fund balance that is appropriated in the succeeding year's budget.

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employee' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay, there is no payment for sick leave upon termination.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. The Town has recorded a liability of $5,681 at December 31, 2016. There is no accrual in the fund financial statements.

Cash and Cash Equivalents

For purposes of the basic financial statements and the statement of cash flows, the Town considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit are carried at cost plus accrued interest, which approximates fair value.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2016, no interest was capitalized. The Town's capitalization level is $2,000 for capital assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Land and Water rights	NA
Buildings and improvements	7 to 50
Machinery and equipment	5 to 15
Infrastructure	7 to 50
Utility systems	25 to 50

As a result of Statement No. 34, the Town is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years.

The Town has elected to capture infrastructure assets with the implementation of Statement No. 34 (the prospective approach).

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Receivables

Receivables are considered fully collectible and therefore are reported at their gross value.

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. (1) Nonspendable fund balance cannot be spent because of its form. (2) Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. (3) Committed fund balance is a limitation imposed by the Town's board through approval of resolutions. (4) Assigned fund balance is a limitation imposed by a designee of the Town's board. (5) Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the Town's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution contains several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes that it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The amendment excludes from its provisions Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less that ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. At a special election on November 7, 1995, voters approved a ballot issue regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1994, also to be effective for all years thereafter.

At an election held on April 5, 2016, voters approved a ballot issue for the Town to retain the current mill levy at a constant rate of 10.454 mills for a period of ten years (June 1, 2016 through May 31, 2025).

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, salary or benefit increases. The Town has restricted $19,329 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Cash and cash investments are carried at cost. The Town authorized investment of funds in federally insured bank accounts or local government pools. Maturities must be five years or less. This authorization is in compliance with restrictions set forth by the State of Colorado statutes.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels ($250,000 for 2016) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

Total cash deposits at December 31, 2016 are as follows:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 388,662	$ 964,136	$ 1,352,798
Cash with county treasurer	6,125	-	6,125
Cash in savings	63,140	569,951	633,091
Total Cash Deposits	$ 457,927	$ 1,534,087	$ 1,992,014

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Total investments at December 31, 2016:

	Governmental Activities	Business-Type Activities	Total
Certificates of deposit	$ -	$ 185,618	$ 185,618
Money market	354,705	-	354,705
Total Investments	$ 354,705	$ 185,618	$ 540,323

Maturities of investments at December 31, 2016 were as follows:

	Investment Maturities in Years				
	Less than 1	1 to 5	6 to 10	More than 10	Total
Cash in Money Market	$ 354,705	$ -	$ -	$ -	$ 354,705
Certificates of Deposit	185,618	-	-	-	185,618
Investments ar Fair Value	-	-	-	-	-
Total Investments	$ 540,323	$ -	$ -	$ -	$ 540,323

The Town's policy is to hold investments until maturity.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The Town had no custodial credit risk for its investments at December 31, 2016.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town minimizes the interest rate risk by having different maturity dates for its certificates of deposit. Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The Town's investment policy follows Colorado Revised Statues.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution due to the Colorado Public Deposit Protection Act (PDPA).

Foreign Currency Risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The Town has no policy for foreign currency risk since all are in the form of certificates of deposit.

Summary

Total cash deposits and investments at December 31, 2016 are as follows:

	Governmental Activities	Business-Type Activities	Total
Cash Deposits	$ 457,927	$ 1,534,087	$ 1,992,014
Investments	354,705	185,618	540,323
Total Cash Deposits and Investments	$ 812,632	$ 1,719,705	$ 2,532,337

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 2,798	$ 3,820	$ 6,618
Net increase (decrease) in the fair value of investments	-	-	-
Total Investment Income	$ 2,798	$ 3,820	$ 6,618

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next.

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2016, to be collected in the subsequent year, 2017 are accrued as a receivable as of December 31, 2016 and offset by a deferred revenue account.

The Town's property tax calendar for 2016 is as follows:

Lien Date	January 1, 2016
Levy Date	November 1, 2016
Tax bills mailed	January 1, 2017
First installment due	February 28, 2017
Second installment due	June 15, 2017
If paid in full, due	April 30, 2017
Tax sale – delinquent taxes	November 15, 2017

NOTE 5 – CAPITAL ASSETS

The following is a summary of the governmental activities changes in capital assets as of December 31, 2016:

	Beg Balance	Additions	Retirements	End Balance
Governmental Activities				
Non-Depreciable Assets:				
Land	$ 232,613	$ -	$ -	$ 232,613
Depreciable Assets:				
Buildings and improvements	278,659	21,653	-	300,312
Machinery and equipment	267,466	13,350	-	280,816
Totals at Historical Cost	778,738	35,003	-	813,741
Less: Accumulated Depreciation for:				
Buildings and improvements	(148,940)	(12,079)	-	(161,019)
Machinery and equipment	(234,044)	(8,391)	-	(242,435)
Total Accumulated Depreciation	(382,984)	(20,470)	-	(403,454)
Governmental Activities Capital Assets - Net	$ 395,754	$ 14,533	$ -	$ 410,287

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 4,007
Public Safety	276
Culture and recreation	6,205
Highways and streets	9,982
Total Depreciation Expense - Governmental Activities	$ 20,470

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of the business-type activities changes in capital assets as of December 31, 2016:

	Beg Balance	Additions	Retirements	End Balance
Business-Type Activities				
Non-Depreciable Assets:				
Land	$ 26,220	$ -	$ -	$ 26,220
Water rights	1,355,665	505,500	-	1,861,165
Depreciable Assets:				
Utility systems	3,867,023	1,216,733	-	5,083,756
Machinery and equipment	141,557	14,424	-	155,981
Construction in progress	-	-	-	-
Totals at Historical Cost	5,390,465	1,736,657	-	7,127,122
Less: Accumulated Depreciation for:				
Utility systems	(1,335,039)	(68,979)	-	(1,404,018)
Machinery and equipment	(63,686)	(17,092)	-	(80,778)
Total Accumulated Depreciation	(1,398,725)	(86,071)	-	(1,484,796)
Business-Type Activities Capital Assets - Net	$ 3,991,740	$ 1,650,586	$ -	$ 5,642,326

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 23,431
Sewer fund	62,640
Total Depreciation Expense - Business-Type Activities	$ 86,071

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2016 is as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ 4,917	$ 1,200	$ 8,100	$ -
Conservation Trust Fund	1,200	-	-	8,100
Total Governmental Activities	6,117	1,200	8,100	8,100
Business-Type Activities				
Water Fund	-	305,034	-	-
Sewer Fund	300,117	-	-	-
Total Business-Type Activities	300,117	305,034	-	-
Total	$ 306,234	$ 306,234	$ 8,100	$ 8,100

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2016 that balance was $4,917. Transfers from Conservation Trust to General Fund are accounted for in accordance with budgetary authorizations.

NOTE 7 – LONG-TERM DEBT

Note Payable – WPCRF

The Colorado Water Resources and Power Development Authority, through a Water Pollution Control Revolving Fund Loan (WPCRF) loaned the Town money in the principal amount of $895,000 for the construction of a new wastewater treatment plant. The loan bears interest at the rate of 1.875% and is to be repaid for a term of 20 years with bi-annual installments of $26,935, the first of which was due on May 1, 2008 and on each November 1 and May 1 of each succeeding year until November 1, 2028. The balance due to the Colorado Water Resources and Power Development Authority as of December 31, 2016 is $576,479.

Changes in Long-Term Debt

	12/31/2015	Additions	Reductions	12/31/2016	Amounts Due Within One Year
Note Payable - Water Pollution Control Revolving Fund Loan	$ 618,943	$ -	$ 42,464	$ 576,479	$ 43,264
Total	$ 618,943	$ -	$ 42,464	$ 576,479	$ 43,264

NOTE 8 – DEBT SERVICE REQUIREMENTS

Summary of debt service requirements with principal and interest to maturity:

Year Ending December 31.	Principal	Interest	Total
2017	$ 43,264	$ 10,607	$ 53,871
2018	44,079	9,792	53,871
2019	44,909	8,962	53,871
2020	45,755	8,116	53,871
2021	46,617	7,254	53,871
2022-2026	246,593	22,762	269,355
2027-2028	105,262	2,478	107,740
Totals	$ 576,479	$ 69,971	$ 646,450

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY

Restricted Net Assets

Certain resources set aside for the repayment of Sewer Fund debt are classified as "restricted" on the Statement of Net Position because their use is limited by applicable bond covenants. The "operations and maintenance" account is used to report resources set aside to subsidize potential deficiencies from the Town's operation that could adversely affect debt service payments. The Town's loan covenants require certain reservations of the Sewer Fund net position.

NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Restricted Net Assets (continued)

The restricted position as of December 31, 2016 is as follows:

Reserved for Operations and Maintenance	$	64,595
Total Reserved Net Position	$	64,595

Rate Maintenance

The Town is required to establish, maintain and enforce rates and charges for services rendered by the water distribution system to create revenue sufficient to pay maintenance and operations expenses of the system and to cover 1.10 times the annual debt service of the existing Sewer Fund revenue debt. The calculations for system payment requirements due in 2016 is computed as follows:

Net Revenues:		
Operating revenue	$	313,100
Contributions from customers (tap fees)		68,000
Earnings on investments		3,018
Total Revenues		384,118
Less: Operating expenses (excluding depreciation)		(271,411)
Net Revenues		112,707
Debt Service Requirements:		
Colorado Water Resources and Power Development Authority		53,871
Debt service requirements times 1.10		1.10
Total Debt Service Requirements		59,258
Excess (Deficit) of Net Revenues over Requirements	$	53,449

The Town was in compliance with the debt service requirement for 2016.

NOTE 10 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town purchases commercial insurance for most risks of loss. As of December 31, 2016, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 11 – CONTINGENCIES

The Town had no material pending or threatened litigation, claims, and assessments. Furthermore, the Town is unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification No. 450 as of December 31, 2016.

NOTE 12 – VALIC RETIREMENT PLAN

Plan Description

Town employees may voluntarily contribute to the Voluntary Investment Program (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the Variable Annuity Life Insurance Company (VALIC).

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($18,000 for the calendar year 2016). Catch-up contributions up to $5,500 for the calendar year 2016 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes three (3%) of the employee's salary into this plan. For the year ended December 31, 2016, the Town contributed $7,064.

NOTE 13 - POLICE DEPARTMENT CONTRACT

The Town does not employ a full-time police officer. The Town has a contract with the Town of Ault for all law enforcement services (except for enforcement of dog, weed or zoning ordinances) at the rate of $92,227 for 2016. A part-time Town employee administers the ordinances not covered by the law enforcement contract.

NOTE 14 – RELATED PARTY TRANSACTIONS

A board of trustee's husband is the owner of High Plains Diesel Works LLC, a company that services tractors, trucks and mowers within the Pierce area. This routine maintenance work was done by his company prior to the trustee coming onto the board. The amount paid to High Plains Diesel Works LLC was $0 for 2016. There were no balances due to High Plains Diesel Works LLC at December 31, 2016.

NOTE 15 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 03, 2017, the date on which the financial statements issued, and did not identify any events or transactions that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

*Budget to Actual - **General Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	**2015**
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Taxes:					
General property taxes	$ 66,805	$ 66,805	**$ 66,606**	$ (199)	$ 65,387
Delinquent property taxes	200	200	**64**	(136)	14
Specific ownership taxes	5,000	5,000	**4,239**	(761)	4,367
General sales and use taxes	140,000	140,000	**157,293**	17,293	171,163
Franchise taxes	35,000	35,000	**37,764**	2,764	34,612
Penalties and interest on delinquent taxes	100	100	**192**	92	128
Total Taxes	247,105	247,105	**266,158**	19,053	275,671
Licenses and Permits:					
Business	1,000	1,000	**885**	(115)	2,098
Non-business	2,000	2,000	**96,270**	94,270	291,268
Total Licenses and Permits	3,000	3,000	**97,155**	94,155	293,366
Intergovernmental Revenues:					
State Grants:					
Cigarette tax	400	400	**-**	(400)	232
Highway users tax	34,000	34,000	**36,687**	2,687	36,828
State Shared Revenues:					
Additional motor vehicle registration fees	4,500	4,500	**6,078**	1,578	4,530
Severance tax	30,000	30,000	**22,798**	(7,202)	37,678
Other Governmental Units:					
Weld County road and bridge funds	5,000	5,000	**4,613**	(387)	5,572
Total Intergovernmental Revenues	73,900	73,900	**70,176**	(3,724)	84,840
Charges for Services:					
Sanitation:					
Refuse collection charges	44,400	44,400	**45,465**	1,065	38,243
Health:					
Animal control	200	200	**583**	383	322
Road inpact fee	-	-	**13,550**	13,550	54,111
Total Charges for Services	44,600	44,600	**59,598**	14,998	92,676
Fines and Forfeitures - Court Fines	12,000	12,000	**10,325**	(1,675)	12,851
Miscellaneous Revenues:					
Earnings on investments	2,000	2,000	**2,551**	551	2,004
Other income	8,500	8,500	**3,275**	(5,225)	3,962
Sale of assets	-	-	**40,210**	40,210	-
Insurance proceeds	-	-	**101,358**	101,358	-
Contributions	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	10,500	10,500	**147,394**	136,894	5,966
Total Revenues	$ 391,105	$ 391,105	**$ 650,806**	$ 259,701	$ 765,370

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

Budget to Actual - ***General Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	**2015**
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
General Government:					
Legislative:					
Council fees	$ 12,000	$ 12,000	**$ 9,775**	$ 2,225	$ 6,475
Payroll taxes	700	700	**748**	(48)	495
Ordinances and proceedings	2,000	2,000	**-**	2,000	-
Workmen's compensation	150	150	**-**	150	-
Legal	10,000	10,000	**4,084**	5,916	4,010
Workshop fees	500	500	**1,214**	(714)	-
Miscellaneous	500	500	**-**	500	-
Total Legislative	25,850	25,850	**15,821**	10,029	10,980
Judicial:					
Municipal judge	3,500	3,500	**3,099**	401	3,269
Miscellaneous	500	500	**640**	(140)	90
Total Judicial	4,000	4,000	**3,739**	261	3,359
Elections	9,500	9,500	**736**	8,764	-
Administration:					
Salaries	84,000	84,000	**88,429**	(4,429)	66,222
Payroll taxes	6,000	6,000	**6,991**	(991)	5,182
Retirement	2,520	2,520	**2,200**	320	1,675
Employee's health insurance	-	-	**-**	-	-
Audit and accounting	20,000	20,000	**18,706**	1,294	19,870
Treasurer's fees	1,000	1,000	**669**	331	655
Office supplies and printing	7,000	7,000	**15,018**	(8,018)	7,223
Repairs and maintenance:					
Building	75,000	75,000	**40,249**	34,751	6,574
Equipment	1,500	1,500	**2,265**	(765)	1,999
Insurance and bonds	4,500	4,500	**3,742**	758	3,598
Legal	15,000	15,000	**12,070**	2,930	4,536
Advertising and legal notices	3,000	3,000	**2,970**	30	1,739
Codification ordinances	6,000	6,000	**2,245**	3,755	-
Telephone and postage	4,000	4,000	**3,703**	297	3,613
Utilities	9,000	9,000	**5,314**	3,686	7,068
Travel and transportation	2,500	2,500	**757**	1,743	1,799
Miscellaneous	20,000	20,000	**13,405**	6,595	7,026
Engineering	25,000	25,000	**14,625**	10,375	11,757
Capital outlay	10,000	10,000	**13,350**	(3,350)	-
Total Administration	296,020	296,020	**246,708**	49,312	150,536
Planning and Zoning:					
Miscellaneous	300	300	**-**	300	-
Total Planning and Zoning	300	300	**-**	300	-
Total General Government	335,670	335,670	**267,004**	68,666	164,875

(continued on next page)

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Public Safety:					
Police:					
Police department contract	$ 140,000	$ 140,000	**$ 92,227**	$ 47,773	$ 81,797
Salaries	18,000	18,000	**16,944**	1,056	13,889
Payroll taxes	3,000	3,000	**1,341**	1,659	1,120
Retirement	540	540	**989**	(449)	126
Gas and oil	300	300	**239**	61	92
Travel and transportation	500	500	**-**	500	-
Supplies	500	500	**288**	212	242
Insurance and bonds	2,000	2,000	**3,892**	(1,892)	4,023
Miscellaneous	2,000	2,000	**697**	1,303	1,392
Capital outlay	1,000	1,000	**-**	1,000	-
Total Police	167,840	167,840	**116,617**	51,223	102,681
Building inspections	-	-	**27,440**	(27,440)	100,509
Total Public Safety	167,840	167,840	**144,057**	23,783	203,190
Public Works:					
Highways and Streets:					
Salaries	42,000	42,000	**41,729**	271	35,608
Payroll taxes	3,000	3,000	**3,304**	(304)	2,868
Retirement	1,260	1,260	**347**	913	468
Employee's health insurance	-	-	**-**	-	-
Repairs	1,200	1,200	**-**	1,200	-
Maintenance	20,000	20,000	**3,752**	16,248	5,464
Drainage maintenance	101,000	101,000	**-**	101,000	-
Gas and oil	4,000	4,000	**1,786**	2,214	2,403
Insurance and bonds	2,060	2,060	**1,819**	241	1,718
Miscellaneous	15,000	15,000	**1,435**	13,565	11,618
Street lighting	20,000	20,000	**19,176**	824	16,033
Capital outlay	100,000	100,000	**21,653**	78,347	3,090
Total Highways and Streets	309,520	309,520	**95,001**	214,519	79,270
Sanitation:					
Waste collection	40,000	40,000	**37,807**	2,193	31,725
Total Public Works	349,520	349,520	**132,808**	216,712	110,995
Health and Welfare - Animal Control	1,800	1,800	**1**	1,799	2
Culture - Recreation:					
Parks:					
Salaries	30,000	30,000	**30,898**	(898)	23,866
Payroll taxes	3,000	3,000	**2,446**	554	1,924
Retirement	900	900	**347**	553	468
Maintenance	15,000	15,000	**16,065**	(1,065)	14,020
Insurance	2,000	2,000	**1,777**	223	1,718
Miscellaneous	15,000	15,000	**5,000**	10,000	7,817
Capital outlay	25,000	25,000	**-**	25,000	1,650
Total Culture - Recreation	90,900	90,900	**56,533**	34,367	51,463
Total Expenditures	$ 945,730	$ 945,730	**$ 600,403**	$ 345,327	$ 530,525

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***General Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Taxes	$ 247,105	$ 247,105	**$ 266,158**	$ 19,053	$ 275,671
Licenses and permits	3,000	3,000	**97,155**	94,155	293,366
Intergovernmental revenues	73,900	73,900	**70,176**	(3,724)	84,840
Charges for services	44,600	44,600	**59,598**	14,998	92,676
Fines and forfeitures	12,000	12,000	**10,325**	(1,675)	12,851
Miscellaneous revenues	10,500	10,500	**147,394**	136,894	5,966
Total Revenues	391,105	391,105	**650,806**	259,701	765,370
Transfers In:					
Conservation Trust Fund	8,100	8,100	**8,100**	-	8,100
Total Transfers In	8,100	8,100	**8,100**	-	8,100
Total Revenues and Transfers In	399,205	399,205	**658,906**	259,701	773,470
Expenditures:					
General government	335,670	335,670	**267,004**	68,666	164,875
Public safety	167,840	167,840	**144,057**	23,783	203,190
Public works	349,520	349,520	**132,808**	216,712	110,995
Health and welfare	1,800	1,800	**1**	1,799	2
Culture - recreation	90,900	90,900	**56,533**	34,367	51,463
Total Expenditures	945,730	945,730	**600,403**	345,327	530,525
Transfers Out:					
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers Out	945,730	945,730	**600,403**	345,327	530,525
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (546,525)	$ (546,525)	**58,503**	$ 605,028	$ 242,945
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**35,003**		
Depreciation expense			**(20,470)**		
Compensated absences			**(1,181)**		
Change in Net Position			**$ 71,855**		

TOWN OF PIERCE, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Conservation Trust Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 8,000	$ 8,000	**$ 9,756**	$ 1,756	$ 8,304
Total Intergovernmental Revenue	8,000	8,000	**9,756**	1,756	8,304
Charges for Services:					
Culture-Recreation:					
Park Fee	-	-	**10,800**	10,800	42,600
Miscellaneous Revenues:					
Earnings on investments	50	50	**247**	197	143
Other revenue	-	-	**-**	-	-
Total Revenues	8,050	8,050	**20,803**	12,753	51,047
Expenditures:					
General Government:					
Miscellaneous	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	8,100	8,100	**8,100**	-	8,100
Total Transfers Out	8,100	8,100	**8,100**	-	8,100
Total Expenditures and Transfers Out	8,100	8,100	**8,100**	-	8,100
Excess (Deficit) of Revenues Over Expenditures and Transfers Out	$ (50)	$ (50)	**12,703**	$ 12,753	$ 42,947
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		
Depreciation expense			**-**		
Change in Net Position			**$ 12,703**		

OTHER SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

Budget to Actual - ***Water Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 300,000	$ 300,000	**$ 338,397**	$ 38,397	$ 305,332
Water surcharges	100	100	**407**	307	5,349
Tap fees	25,000	25,000	**200,200**	175,200	704,800
Drainage fees	5,420	5,420	**30,458**	25,038	32,397
Other fees	-	-	**-**	-	53,180
Total Operating Revenues	330,520	330,520	**569,462**	238,942	1,101,058
Non-Operating Revenues:					
Interest on investments	170	170	**802**	632	522
Transfer from other funds	-	-	**-**	-	-
Other revenue	11,200	11,200	**16,023**	4,823	17,205
Total Non-Operating Revenues	11,370	11,370	**16,825**	5,455	17,727
Miscellaneous Revenues:					
Contributions	-	-	**505,500**	505,500	710,000
Sale of assets	800	800	**-**	(800)	-
Grant proceeds	504,450	504,450	**504,450**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	505,250	505,250	**1,009,950**	504,700	710,000
Total Revenues	$ 847,140	$ 847,140	**$ 1,596,237**	$ 749,097	$ 1,828,785

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 24,000	$ 24,000	**$ 23,486**	$ 514	$ 16,855
Payroll taxes	3,000	3,000	**1,860**	1,140	1,361
Retirement	720	720	**490**	230	468
Health insurance	-	-	**-**	-	-
Fuel and power	19,000	19,000	**17,669**	1,331	13,593
Supplies and expenses	1,200	1,200	**186**	1,014	28
Insurance and bonds	4,500	4,500	**3,791**	709	3,885
Water assessments	20,000	20,000	**14,278**	5,722	10,361
Water purchases	150,000	150,000	**109,660**	40,340	104,368
Water augmentation	3,000	3,000	**-**	3,000	-
Water testing	6,000	6,000	**1,202**	4,798	5,095
Repairs and maintenance	50,000	50,000	**17,504**	32,496	41,493
Engineering	80,000	80,000	**7,907**	72,093	17,107
Total System Operation & Maintenance	361,420	361,420	**198,033**	163,387	214,614
Administrative & General:					
Salaries	24,000	24,000	**24,450**	(450)	20,149
Payroll taxes	3,000	3,000	**1,935**	1,065	1,623
Retirement	720	720	**1,516**	(796)	1,153
Health insurance	-	-	**-**	-	-
Office supplies	2,000	2,000	**2,257**	(257)	139
Audit and accounting	25,000	25,000	**13,303**	11,697	14,574
Legal	10,000	10,000	**-**	10,000	-
Telephone and postage	4,500	4,500	**3,343**	1,157	3,137
Insurance and bonds	6,000	6,000	**4,912**	1,088	4,657
Travel expense	300	300	**43**	257	465
Miscellaneous general expenses	20,000	20,000	**10,793**	9,207	3,630
Total Administrative & General	95,520	95,520	**62,552**	32,968	49,527
Total Operating Expenditures	456,940	456,940	**260,585**	196,355	264,141
Non-Operating Expenditures:					
Capital outlay	1,121,000	1,191,000	**1,722,233**	(531,233)	710,000
Total Non-Operating Expenditures	1,121,000	1,191,000	**1,722,233**	(531,233)	710,000
Total Expenditures	$1,577,940	$ 1,647,940	**$ 1,982,818**	$ (334,878)	$ 974,141

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Water Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 330,520	$ 330,520	**$ 569,462**	$ 238,942	$ 1,101,058
Non-operating revenues	11,370	11,370	**16,825**	5,455	17,727
Miscellaneous revenues	505,250	505,250	**1,009,950**	-	710,000
Total Revenues	847,140	847,140	**1,596,237**	244,397	1,828,785
Expenditures:					
System operation & maintenance	361,420	361,420	**198,033**	163,387	214,614
Administrative & general	95,520	95,520	**62,552**	32,968	49,527
Capital outlay	1,121,000	1,191,000	**1,722,233**	(531,233)	710,000
Total Expenditures	1,577,940	1,647,940	**1,982,818**	(334,878)	974,141
Excess (Deficiency) of Revenues over Expenditures	$ (730,800)	$ (800,800)	**(386,581)**	$ (90,481)	$ 854,644
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**1,722,233**		
Depreciation expense			**(23,431)**		
Change in Net Position			**$ 1,312,221**		

TOWN OF PIERCE, COLORADO

Schedule of Revenues

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance -	
Non-GAAP Budgetary Basis	Original	Final	**Actual**	Favorable (Unfavorable)	**2015** Actual
Operating Revenues:					
Charges for services	$ 280,000	$ 280,000	**$ 313,100**	$ 33,100	$ 284,497
Tap Fees	-	-	**68,000**	68,000	310,250
Total Operating Revenues	280,000	280,000	**381,100**	101,100	594,747
Non-Operating Revenues:					
Interest on investments	2,200	2,200	**3,018**	818	2,382
Other revenue	300	300	**3,470**	3,170	5,322
Total Non-Operating Revenues	2,500	2,500	**6,488**	3,988	7,704
Miscellaneous Income:					
Contributions	-	-	**-**	-	-
Insurance proceeds	-	-	**18,248**	18,248	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**18,248**	18,248	-
Total Revenues	$ 282,500	$ 282,500	**$ 405,836**	$ 123,336	$ 602,451

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 21,000	$ 21,000	**$ 23,486**	$ (2,486)	$ 16,855
Payroll taxes	3,000	3,000	**1,860**	1,140	1,448
Retirement	630	630	**542**	88	468
Health insurance	-	-	**-**	-	-
Fuel and Power	40,000	40,000	**26,668**	13,332	35,176
Supplies and expenses	20,000	20,000	**1,504**	18,496	6,341
Insurance and bonds	3,000	3,000	**2,167**	833	2,220
Repairs and maintenance	50,000	110,000	**120,848**	(10,848)	65,033
Lagoon testing	40,000	40,000	**14,863**	25,137	13,980
Engineering	75,600	75,600	**38,554**	37,046	28,805
Total System Operation & Maintenance	253,230	313,230	**230,492**	82,738	170,326
Administrative & General:					
Salaries	30,000	30,000	**24,138**	5,862	19,863
Payroll taxes	3,000	3,000	**1,910**	1,090	1,599
Retirement	900	900	**633**	267	523
Health insurance	-	-	**-**	-	-
Office supplies	2,000	2,000	**422**	1,578	139
Audit and accounting	20,000	20,000	**7,814**	12,186	8,536
Legal	12,150	12,150	**-**	12,150	-
Insurance and bonds	4,000	4,000	**2,807**	1,193	2,661
Telephone and postage	3,000	3,000	**1,905**	1,095	2,653
Travel expense	1,000	1,000	**-**	1,000	58
Miscellaneous general expenses	25,000	25,000	**1,291**	23,709	8,574
Total Administrative & General	101,050	101,050	**40,920**	60,130	44,606
Total Operating Expenditures	354,280	414,280	**271,412**	142,868	214,932
Non-Operating Expenditures:					
Capital outlay	150,000	150,000	**14,424**	135,576	-
Debt service:					
Principal	42,464	42,464	**42,464**	-	41,679
Interest	11,408	11,408	**11,276**	132	12,063
Total Non-Operating Expenditures	203,872	203,872	**68,164**	135,708	53,742
Total Expenditures	$ 558,152	$ 618,152	**$ 339,576**	$ 278,576	$ 268,674

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				
	Budget			Variance - Favorable	2015
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 280,000	$ 280,000	**$ 381,100**	$ 101,100	$ 594,747
Non-operating revenues	2,500	2,500	**6,488**	3,988	7,704
Miscellaneous revenues	-	-	**18,248**	18,248	-
Total Revenues	282,500	282,500	**405,836**	123,336	602,451
Expenditures:					
System operations & maintenance	253,230	313,230	**230,492**	82,738	170,326
Administrative & general	101,050	101,050	**40,920**	60,130	44,606
Non-operating	203,872	203,872	**68,164**	135,708	53,742
Total Expenditures	558,152	618,152	**339,576**	278,576	268,674
Excess (Deficiency) of Revenues over Expenditures	$ (275,652)	$ (335,652)	**66,260**	$ 401,912	$ 333,777
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**14,424**		
Depreciation expense			**(62,640)**		
Long-term debt payments			**42,464**		
Change in Net Position			**$ 60,508**		

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

LOCAL HIGHWAY FINANCE REPORT	City or County:	**TOWN OF PIERCE, COLORADO**
	YEAR ENDING :	**December 2016**
This Information From The Records Of (example - City of _ or County of _)	Prepared By:	**PAT LARSON, TOWN CLERK**
	Phone:	***(970) 834-2851**

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	27,007
3. Other local imposts (from page 2)	5,125
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	32,132
B. Private Contributions	0
C. Receipts from State government (from page 2)	42,765
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	74,897

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	21,653
2. Maintenance:	13,657
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	18,696
d. Total (a. through c.)	18,696
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	20,891
6. Total (1 through 5)	74,897
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	74,897

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	74,897	74,897	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: **Colorado**
	YEAR ENDING (mm/yy): **December 2016**

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalities	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	5,125	g. Other Misc. Receipts	0
6. Total (1. through 5.)	5,125	h. Other	0
c. Total (a. + b.)	5,125	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	36,687	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	6,078	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	6,078	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	42,765	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	21,653	21,653
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	21,653
			(Carry forward to page 1)

Notes and Comments: