Annual Financial Report

# Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2017


Tim Chavies & Associates, Inc.

*Certified Public Accountants*
*1707 61st Avenue, Suite 101*
*Greeley, Colorado 80634*
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Office of the State Auditor

June 14, 2018

**TOWN OF PIERCE, COLORADO**

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December 31, 2017

Tim Chavies & Associates, Inc.

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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, 2017, 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, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 27-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our 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 32-37 and the local highway finance report on pages 38-39 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
June 4, 2018

TOWN OF PIERCE
P.O. Box 57
Pierce, Colorado 80650
(970) 834-2851 Fax (970) 834-2755

## MANAGEMENT'S DISCUSSION AND ANALYSIS
**December 31, 2017**

This section of Town of Pierce, State of Colorado's (Town) 2017 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2017. 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 $9,032 during 2017, compared to $1,457,287 in 2016. The increase was due to an increase in sales tax money received and tap fees for new homes in subdivision.

- The Town capitalized $587,027 of capital assets, and recorded depreciation of $147,272 during 2017. In 2016 the District capitalized $1,771,660 and recorded depreciation of $106,541.

- Total revenues for the governmental funds were $498,777 in 2017 compared to $530,041 in 2016, a decrease of $31,264 or 5.89%. Total expenditures were $730,695 in 2017 compared to $600,403 in 2016, an increase of $130,292 or 21.70%.

- Total operating revenues for the proprietary funds were $751,844 in 2017 compared to $970,055 in 2016, a decrease of $218,211 or 22.49%. Total operating expenditures were $647,231 in 2017 compared to $629,344 in 2016, an increase of $17,887 or 2.84%.

### 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 position 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, 2017:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Current and other assets | $ 696,011 | $ 1,055,085 | $ 1,751,096 |
| Capital assets, net | 546,690 | 5,945,678 | 6,492,368 |
| **Total Assets** | **1,242,701** | **7,000,763** | **8,243,464** |
| **Total Deferred Outflows** | **-** | **-** | **-** |
| Current liabilities | 9,760 | 47,345 | 57,105 |
| Long-term debt outstanding | 5,675 | - | 5,675 |
| **Total Liabilities** | **15,435** | **47,345** | **62,780** |
| Unearned revenues - property taxes | 97,391 | - | 97,391 |
| **Total Deferred Inflows** | **97,391** | **-** | **97,391** |
| Net investment in capital assets | 546,690 | 5,945,678 | 6,492,368 |
| Restricted for Tabor | 14,576 | - | 14,576 |
| Restricted for parks & recreation | 66,555 | - | 66,555 |
| Restricted for operations & maintenance | - | - | - |
| Unrestricted | 502,054 | 1,007,740 | 1,509,794 |
| **Total Net Position** | **$ 1,129,875** | **$ 6,953,418** | **$ 8,083,293** |

The restricted portion of net position ($81,131) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($1,509,794) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2017:

| **Revenues** | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Program Revenues: | | | |
| Charges for services | $ 49,657 | $ 724,833 | $ 774,490 |
| General Revenues: | | | |
| Taxes | 301,343 | - | 301,343 |
| Licenses and permits | 41,546 | - | 41,546 |
| Intergovermental revenues | 83,581 | - | 83,581 |
| Fines and forfeitures | 11,975 | - | 11,975 |
| Earnings on investment | 3,281 | 3,732 | 7,013 |
| Other | 9,618 | 27,011 | 36,629 |
| **Total Revenues** | **501,001** | **755,576** | **1,256,577** |
| **Expenses:** | | | |
| General government | 236,127 | - | 236,127 |
| Public safety | 127,337 | - | 127,337 |
| Public works | 171,732 | - | 171,732 |
| Health and welfare | - | - | - |
| Culture - recreation | 59,089 | - | 59,089 |
| Other | - | - | - |
| Water | - | 320,250 | 320,250 |
| Sewer | - | 333,010 | 333,010 |
| **Total Expenses** | **594,285** | **653,260** | **1,247,545** |
| **Change in Net Position** | **(93,284)** | **102,316** | **9,032** |
| Net Position - beginning | 1,223,159 | 6,851,102 | 8,074,261 |
| **Net Position - ending** | **$ 1,129,875** | **$ 6,953,418** | **$ 8,083,293** |

Net position increased to $8,083,293, an increase of $9,032 from 2016. The increase was affected by the Town capital asset donations, sales tax increase, along with capital outlay of $587,027, less depreciation expense of $147,272 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, 2017, the Town's governmental funds reported combined ending fund balances of $588,860 a decrease of $229,697 in comparison with 2016. Approximately 30.75% of this total amount ($181,057) 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 | - | 5,487,050 | 5,487,050 |
| Buildings and improvements | 391,566 | - | 391,566 |
| Machinery and equipment | 352,510 | 176,766 | 529,276 |
| **Total Capital Assets** | **976,689** | **7,551,201** | **8,527,890** |
| Less: Accumulated depreciation | (429,999) | (1,605,523) | (2,035,522) |
| **Net Capital Assets** | **$ 546,690** | **$ 5,945,678** | **$ 6,492,368** |

Capital assets – net of depreciation increased $439,755 during 2017 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

**DEBT ADMINISTRATION**

The Town had outstanding debt obligations with the Colorado Water Resources and Power Development Authority, which was paid in full on 07/19/2017. As of December 31, 2017, the debt was $0 compared to $576,479 in 2016, a decrease of $576,479 (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 2017 budget was approved by the Board of Trustees on December 12, 2016, appropriating $2,157,353 for expenditures.

- Two new residential building permits were issued in 2017.

## 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, 2017

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets:** | | | |
| Cash on hand and in checking | $ 147,735 | $ 457,890 | **$ 605,625** |
| Cash with county treasurer | 2,406 | - | **2,406** |
| Cash in savings | 65,355 | 345,593 | **410,948** |
| **Total Cash** | 215,496 | 803,483 | **1,018,979** |
| Money market account | 357,555 | - | **357,555** |
| Certificates of deposit | - | 186,964 | **186,964** |
| **Total Investments** | 357,555 | 186,964 | **544,519** |
| Accounts receivable | 16,303 | 72,685 | **88,988** |
| Accrued interest receivable | - | 186 | **186** |
| Property taxes receivable | 97,391 | - | **97,391** |
| Prepaid expenses | 468 | 565 | **1,033** |
| Internal balances | 8,798 | (8,798) | **-** |
| **Total Current Assets** | 696,011 | 1,055,085 | **1,751,096** |
| **Capital Assets:** | | | |
| Land | 232,613 | 26,220 | **258,833** |
| Water rights | - | 1,861,165 | **1,861,165** |
| Utility systems | - | 5,487,050 | **5,487,050** |
| Buildings and improvements | 391,566 | - | **391,566** |
| Machinery and equipment | 352,510 | 176,766 | **529,276** |
| **Total Capital Assets** | 976,689 | 7,551,201 | **8,527,890** |
| Less: accumulated depreciation | (429,999) | (1,605,523) | **(2,035,522)** |
| **Net Capital Assets** | 546,690 | 5,945,678 | **6,492,368** |
| **Total Assets** | 1,242,701 | 7,000,763 | **8,243,464** |
| **LIABILITIES** | | | |
| **Current Liabilities:** | | | |
| Accounts payable | 8,027 | 41,942 | **49,969** |
| Payroll taxes payable | 1,333 | 808 | **2,141** |
| Accrued interest payable | - | - | **-** |
| Deposits | 400 | 4,595 | **4,995** |
| Current portion of long-term debt | - | - | **-** |
| **Total Current Liabilities** | 9,760 | 47,345 | **57,105** |
| **Long Term Liabilities:** | | | |
| Compensated absences | 5,675 | - | **5,675** |
| Note payable - WPCRF loan | - | - | **-** |
| Less: portion due within one year | - | - | **-** |
| **Total Long Term Liabilities** | 5,675 | - | **5,675** |
| **Total Liabilities** | 15,435 | 47,345 | **62,780** |
| **DEFERRED INFLOWS** | | | |
| Unearned revenue - property taxes | 97,391 | - | **97,391** |
| **NET POSITION** | | | |
| Net investment in capital assets | 546,690 | 5,945,678 | **6,492,368** |
| Restricted for tabor | 14,576 | - | **14,576** |
| Restricted for parks and recreation | 66,555 | - | **66,555** |
| Restricted for operations and maintenance | - | - | **-** |
| Unrestricted | 502,054 | 1,007,740 | **1,509,794** |
| **Total Net Position** | $ 1,129,875 | $ 6,953,418 | **$ 8,083,293** |

See accompanying notes to the basic financial statements

# TOWN OF PIERCE, COLORADO

*Statement of Activities*

***Government-Wide***

December 31, 2017

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|
| | | | | Primary Government | | |
| Functions / Programs | Expenses | Charges for Services | Capital Contributions | Governmental Activities | Business-Type Activities | **Total** |
| **Primary Government** | | | | | | |
| **Governmental Activities:** | | | | | | |
| General government | $ (236,127) | $ - | $ - | $ (236,127) | $ - | **$ (236,127)** |
| Public safety | (127,337) | - | - | (127,337) | - | **(127,337)** |
| Public works | (171,732) | 48,407 | - | (123,325) | - | **(123,325)** |
| Health and welfare | - | - | - | - | - | **-** |
| Culture - recreation | (59,089) | 1,250 | - | (57,839) | - | **(57,839)** |
| **Total Governmental Activities** | (594,285) | 49,657 | - | (544,628) | - | **(544,628)** |
| **Business-Type Activities:** | | | | | | |
| Water fund | (320,250) | 398,131 | - | - | 77,881 | **77,881** |
| Sewer fund | (333,010) | 326,702 | - | - | (6,308) | **(6,308)** |
| **Total Business-Type Activities** | (653,260) | 724,833 | - | - | 71,573 | **71,573** |
| **Total Primary Government** | $ (1,247,545) | $ 774,490 | $ - | (544,628) | 71,573 | **(473,055)** |
| | **General Revenues:** | | | | | |
| | Taxes | | | 301,343 | - | **301,343** |
| | Licenses and permits | | | 41,546 | - | **41,546** |
| | Intergovernmental revenue | | | 83,581 | - | **83,581** |
| | Fines and forfeitures | | | 11,975 | - | **11,975** |
| | Miscellaneous income | | | 7,394 | 27,011 | **34,405** |
| | Sale of assets | | | - | - | **-** |
| | Grants | | | - | - | **-** |
| | Insurance proceeds | | | 724 | - | **724** |
| | Interest income | | | 3,281 | 3,732 | **7,013** |
| | Transfers | | | - | - | **-** |
| | Contributions | | | 1,500 | - | **1,500** |
| | **Total General Revenues** | | | 451,344 | 30,743 | **482,087** |
| | **Change in Net Position** | | | (93,284) | 102,316 | **9,032** |
| | **Net Position-beginning of year** | | | 1,223,159 | 6,851,102 | **8,074,261** |
| | **Net Position-end of year** | | | $ 1,129,875 | $ 6,953,418 | **$ 8,083,293** |

See accompanying notes to the basic financial statements

# TOWN OF PIERCE, COLORADO

*Balance Sheet*

***Governmental Funds***

December 31, 2017

| | | General | | Conservation Trust | | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Current Assets:** | | | | | | |
| Cash on hand and in checking | $ | 147,735 | $ | - | $ | **147,735** |
| Cash with county treasurer | | 2,406 | | - | | **2,406** |
| Cash in savings | | - | | 65,355 | | **65,355** |
| **Total Cash** | | 150,141 | | 65,355 | | **215,496** |
| Money market account | | 357,555 | | - | | **357,555** |
| Certificates of deposit | | - | | - | | **-** |
| **Total Investments** | | 357,555 | | - | | **357,555** |
| Accounts receivable | | 16,303 | | - | | **16,303** |
| Accrued interest receivable | | - | | - | | **-** |
| Property taxes receivable | | 97,391 | | - | | **97,391** |
| Prepaid expenses | | 468 | | - | | **468** |
| Due from other funds | | 8,798 | | 1,200 | | **9,998** |
| **Total Current Assets** | | 630,656 | | 66,555 | | **697,211** |
| **Total Assets** | $ | 630,656 | $ | 66,555 | $ | **697,211** |
| **LIABILITIES** | | | | | | |
| **Current Liabilities:** | | | | | | |
| Accounts payable | $ | 8,027 | $ | - | $ | **8,027** |
| Payroll taxes payable | | 1,333 | | - | | **1,333** |
| Deposits | | 400 | | - | | **400** |
| Due to other funds | | 1,200 | | - | | **1,200** |
| **Total Current Liabilities** | | 10,960 | | - | | **10,960** |
| **Total Liabilities** | | 10,960 | | - | | **10,960** |
| **DEFERRED INFLOWS** | | | | | | |
| Unearned revenue - property taxes | | 97,391 | | | | **97,391** |
| **Total Liabilities & Deferred Inflows** | | 108,351 | | - | | **108,351** |
| **FUND BALANCE** | | | | | | |
| Non-spendable - prepaid | | 468 | | - | | **468** |
| Restricted | | 14,576 | | 66,555 | | **81,131** |
| Committed - subsequent year's expenditures | | 326,204 | | - | | **326,204** |
| Assigned | | - | | - | | **-** |
| Unassigned | | 181,057 | | - | | **181,057** |
| **Total Fund Balance** | | 522,305 | | 66,555 | | **588,860** |
| **Total Liabilities, Deferred Inflows & Fund Balance** | $ | 630,656 | $ | 66,555 | $ | **697,211** |

| | | |
|---|---|---|
| **Reconciliation of the Balance Sheet to the Statement of Net Position** | | |
| Total Governmental Fund Balance | | **$ 588,860** |
| *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 | 976,689 | |
| Less: accumulated depreciation | (429,999) | |
| | | **546,690** |
| Accrued compensated absences are not due and payable in the current period, therefore, they are not reported in the fund financial statements | | **(5,675)** |
| **Net Position of Governmental Activities** | | **$ 1,129,875** |

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, 2017

| | General | Conservation Trust | Total |
|---|---|---|---|
| **Revenues:** | | | |
| Taxes | $ 301,343 | $ - | **$ 301,343** |
| Licenses and permits | 41,546 | - | **41,546** |
| Intergovernmental revenue | 74,880 | 8,701 | **83,581** |
| Charges for services | 48,407 | 1,250 | **49,657** |
| Fines and forfeitures | 11,975 | - | **11,975** |
| Miscellaneous revenues | 10,411 | 264 | **10,675** |
| **Total Revenues** | 488,562 | 10,215 | **498,777** |
| **Expenditures:** | | | |
| **Current:** | | | |
| General government | 310,823 | - | **310,823** |
| Public safety | 128,670 | - | **128,670** |
| Public works | 233,935 | - | **233,935** |
| Health and welfare | - | - | **-** |
| Culture - recreation | 57,266 | - | **57,266** |
| **Total Expenditures** | 730,694 | - | **730,694** |
| **Excess (Deficiency) of Revenues over Expenditures** | (242,132) | 10,215 | **(231,917)** |
| **Other Financing Sources (Uses):** | | | |
| Sale of assets | - | - | **-** |
| Contributions | 1,500 | - | **1,500** |
| Insurance proceeds | 724 | - | **724** |
| Transfers in | 8,000 | - | **8,000** |
| Transfers out | - | (8,000) | **(8,000)** |
| **Total Other Financing Sources (Uses)** | 10,224 | (8,000) | **2,224** |
| **Net Change in Fund Balance** | (231,908) | 2,215 | **(229,693)** |
| Fund Balance - beginning of year | 754,213 | 64,340 | **818,553** |
| **Fund Balance - End of Year** | $ 522,305 | $ 66,555 | **$ 588,860** |

| | | |
|---|---|---|
| **Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:** | | |
| Net Change in Fund Balance - Total Governmental Funds | | **$ (229,693)** |
| *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 | **162,948** | |
| Depreciation expense | **(26,545)** | |
| | | **136,403** |
| 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 | | **6** |
| **Change in Net Position of Governmental Activities** | | **$ (93,284)** |

See accompanying notes to the basic financial statements

## TOWN OF PIERCE, COLORADO

*Statement of Net Position*

***Proprietary Funds***

December 31, 2017

| | Business-Type Activities | | |
|---|---|---|---|
| | Water | Sewer | Total |
| **ASSETS** | | | |
| **Current Assets:** | | | |
| Cash on hand and in checking | $ 457,785 | $ 105 | **$ 457,890** |
| Cash in savings | 11,746 | 333,847 | **345,593** |
| **Total Cash** | 469,531 | 333,952 | **803,483** |
| Certificates of deposit | - | 186,964 | **186,964** |
| **Total Investments** | - | 186,964 | **186,964** |
| Accounts receivable | 72,685 | - | **72,685** |
| Accrued interest receivable | - | 186 | **186** |
| Prepaid expenses | 356 | 209 | **565** |
| Due from other funds | 64,786 | - | **64,786** |
| **Total Current Assets** | 607,358 | 521,311 | **1,128,669** |
| **Capital Assets:** | | | |
| Land | 2,273 | 23,947 | **26,220** |
| Water rights | 1,861,165 | - | **1,861,165** |
| Utility systems | 2,638,003 | 2,849,047 | **5,487,050** |
| Machinery and equipment | 58,712 | 118,054 | **176,766** |
| **Total Capital Assets** | 4,560,153 | 2,991,048 | **7,551,201** |
| Less: Accumulated depreciation | (856,919) | (748,604) | **(1,605,523)** |
| **Net Capital Assets** | 3,703,234 | 2,242,444 | **5,945,678** |
| **Total Assets** | 4,310,592 | 2,763,755 | **7,074,347** |
| **LIABILITIES** | | | |
| **Current Liabilities:** | | | |
| Accounts payable | 13,876 | 28,066 | **41,942** |
| Payroll taxes payable | 404 | 404 | **808** |
| Accrued interest payable | - | - | **-** |
| Deposits | 4,595 | - | **4,595** |
| Due to other funds | 8,798 | 64,786 | **73,584** |
| Current portion of long-term debt | - | - | **-** |
| **Total Current Liabilities** | 27,673 | 93,256 | **120,929** |
| **Long Term Liabilities:** | | | |
| Note payable - WPCRF loan | - | - | **-** |
| Less: portion due within one year | - | - | **-** |
| **Total Long Term Liabilities** | - | - | **-** |
| **Total Liabilities** | 27,673 | 93,256 | **120,929** |
| **DEFERRED INFLOWS** | | | |
| **Unearned revenue** | - | - | **-** |
| **Total Liabilities & Deferred Inflows** | 27,673 | 93,256 | **120,929** |
| **NET POSITION** | | | |
| Net investment in capital assets | 3,703,234 | 2,242,444 | **5,945,678** |
| Restricted | - | - | **-** |
| Unrestricted: | | | |
| Designated for subsequent year's expenditures | 128,850 | 171,600 | **300,450** |
| Undesignated | 450,835 | 256,455 | **707,290** |
| **Total Net Position** | $ 4,282,919 | $ 2,670,499 | **$ 6,953,418** |

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, 2017

| | Business-Type Activities | | |
|---|---|---|---|
| | Water | Sewer | Total |
| **Operating Revenues:** | | | |
| Charges for services | $ 398,131 | $ 326,702 | **$ 724,833** |
| Other revenue | 26,330 | 681 | **27,011** |
| **Total Operating Revenues** | 424,461 | 327,383 | **751,844** |
| **Operating Expenses:** | | | |
| **System Operation and Maintenance:** | | | |
| Salaries | 24,167 | 25,856 | **50,023** |
| Payroll taxes | 1,948 | 1,891 | **3,839** |
| Retirement | 620 | 620 | **1,240** |
| Health insurance | 649 | 692 | **1,341** |
| Fuel and power | 12,520 | 30,928 | **43,448** |
| Supplies and expenses | 176 | 1,994 | **2,170** |
| Insurance and bonds | 4,878 | 2,788 | **7,666** |
| Water assessments | 14,430 | - | **14,430** |
| Water purchases | 118,169 | - | **118,169** |
| Water augmentation | 2,325 | - | **2,325** |
| Water testing | 1,537 | - | **1,537** |
| Lagoon testing | - | 16,156 | **16,156** |
| Repairs and maintenance | 20,158 | 110,925 | **131,083** |
| Engineering | 7,358 | 27,577 | **34,935** |
| **Total System Operation and Maintenance** | 208,935 | 219,427 | **428,362** |
| **Administrative and General:** | | | |
| Salaries | 25,961 | 25,602 | **51,563** |
| Payroll taxes | 2,094 | 2,055 | **4,149** |
| Retirement | 1,532 | 658 | **2,190** |
| Health insurance | 187 | 549 | **736** |
| Office supplies | 744 | 437 | **1,181** |
| Audit and accounting | 12,192 | 5,592 | **17,784** |
| Legal | 860 | 405 | **1,265** |
| Insurance and bonds | 5,274 | 3,126 | **8,400** |
| Telephone and postage | 3,737 | 2,423 | **6,160** |
| Travel | - | - | **-** |
| Miscellaneous general expenses | 3,736 | 980 | **4,716** |
| **Total Administrative and General** | 56,317 | 41,827 | **98,144** |
| Depreciation and Amortization | 54,998 | 65,729 | **120,727** |
| **Total Operating Expenses** | 320,250 | 326,983 | **647,233** |
| **Operating Income (Loss)** | 104,211 | 400 | **104,611** |
| **Non-Operating Revenues (Expenses)** | | | |
| Interest income | 416 | 3,316 | **3,732** |
| Interest expense | - | (6,027) | **(6,027)** |
| Grant proceeds | - | - | **-** |
| Insurance proceeds | - | - | **-** |
| **Total Non-Operating Revenues (Expenses)** | 416 | (2,711) | **(2,295)** |
| **Income (Loss) before contributions and transfers** | 104,627 | (2,311) | **102,316** |
| **Contributions** | - | - | **-** |
| **Transfers In (Out)** | - | - | **-** |
| **Change in Net Position** | 104,627 | (2,311) | **102,316** |
| Net Position - beginning of year | 4,178,292 | 2,672,810 | **6,851,102** |
| **Net Position - End of Year** | $ 4,282,919 | $ 2,670,499 | **$ 6,953,418** |

## TOWN OF PIERCE, COLORADO

*Statement of Cash Flows*

***Proprietary Funds***

December 31, 2017

| | Business-Type Activities | | |
|---|---|---|---|
| | Water | Sewer | Total |
| **Cash Flows From Operating Activities:** | | | |
| Cash received from customers | $ 902,508 | $ 326,622 | **$ 1,229,130** |
| Cash payments to employees | (50,128) | (51,458) | **(101,586)** |
| Cash payments to suppliers | (686,858) | (197,983) | **(884,841)** |
| Other non-operating revenues | 26,330 | 364,903 | **391,233** |
| Internal activity - payments to other funds | (361,022) | 681 | **(360,341)** |
| **Net Cash Flows From Operating Activities** | (169,170) | 442,765 | **273,595** |
| **Cash Flows From Non-Capital Financing Activities:** | | | |
| Operating transfers in | - | - | **-** |
| Operating transfers out | - | - | **-** |
| Grants | - | - | **-** |
| Insurance proceeds | - | - | **-** |
| **Net Cash Flows From Non-Capital Financing Activities** | - | - | **-** |
| **Cash Flows From Capital and Related Financing Activities:** | | | |
| Acquisition of capital assets | (325,887) | (98,192) | **(424,079)** |
| Proceeds from long-term debt | - | - | **-** |
| Capital contributions | - | - | **-** |
| Principal payments on long-term debt | - | (576,479) | **(576,479)** |
| Interest payments on long-term debt | - | (6,027) | **(6,027)** |
| **Net Cash Flows From Capital and Related Financing Activities** | (325,887) | (680,698) | **(1,006,585)** |
| **Cash Flows From Investing Activities:** | | | |
| Interest on investments | 416 | 3,316 | **3,732** |
| **Net Cash Flows From Investing Activities** | 416 | 3,316 | **3,732** |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | (494,641) | (234,617) | **(729,258)** |
| Cash and Cash Equivalents - January 1 | 964,172 | 755,533 | **1,719,705** |
| **Cash and Cash Equivalents - December 31** | $ 469,531 | $ 520,916 | **$ 990,447** |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:** | | | |
| Operating income (loss) | $ 104,211 | $ 400 | **$ 104,611** |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 54,998 | 65,729 | **120,727** |
| Changes in assets and liabilities: | | | |
| Receivables | 504,377 | (80) | **504,297** |
| Prepaid expenses | (11) | (13) | **(24)** |
| Due from other funds | (64,786) | 300,117 | **235,331** |
| Payables and other accrued expenses | (471,724) | 11,826 | **(459,898)** |
| Due to other funds | (296,236) | 64,786 | **(231,450)** |
| **Net Cash Flows From Operating Activities** | $ (169,171) | $ 442,765 | **$ 273,594** |

See accompanying notes to the basic financial statements

*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 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* This statement address accounting and reporting for other postemployment benefits (OPEB) plans, which include postemployment healthcare benefits including medical, dental, vision, hearing, and other benefits such as death benefits, life insurance, disability, and long-term care. The Town has no OPEB plans, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

GASB Statement No 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No 14.* This statement clarifies the financial statement presentation requirements for certain component units and enhances comparability of financial statements among state and local governments. The Town has no component units, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

GASB Statement No 81, *Irrevocable Split-Interest Agreements.* This statement improves the accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements. The Town has no irrevocable split-interest agreements, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

GASB Statement No 82, *Pension Issues – an amendment of GASB Statements No 67, No 68, and No 73.* This statement addresses implementation issues that arose during the implementation of the GASB pension suite (Nos. 67,68, and 73). The Town has no pension plans, therefore, for year ended December 31, 2017 implementation had no impact to the Town's financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 (major)** 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.

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 2017:

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Budgets and Budgetary Accounting (continued)

| Governmental Funds | Original Budget | Total Revisions | Revised Budget |
|---|---|---|---|
| General Fund | $ 903,832 | $ - | $ 903,832 |
| Conservation Trust Fund | 50,000 | - | 50,000 |
| Proprietary Funds | | | |
| Water Fund | 516,100 | 475,000 | 991,100 |
| Sewer Fund | 687,421 | 400,000 | 1,087,421 |
| Total Funds | $ 2,157,353 | $ 875,000 | $ 3,032,353 |

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.

### 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 $5,675 at December 31, 2017. There is no accrual in the fund financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, 2017, no interest was capitalized. The Town's capitalization level is $2,000 for capital assets.

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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 $14,576 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 2017) 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.

Total cash deposits at December 31, 2017 are as follows:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Cash on hand and in checking | $ 147,735 | $ 457,890 | $ 605,625 |
| Cash with county treasurer | 2,406 | - | 2,406 |
| Cash in savings | 65,355 | 345,593 | 410,948 |
| Total Cash Deposits | $ 215,496 | $ 803,483 | $ 1,018,979 |

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

## NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments (continued)**

Total investments at December 31, 2017:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Certificates of deposit | $ - | $ 186,964 | $ 186,964 |
| Money market | 357,555 | - | 357,555 |
| Total Investments | $ 357,555 | $ 186,964 | $ 544,519 |

Maturities of investments at December 31, 2017 were as follows:

| | Investment Maturities in Years | | | | |
|---|---|---|---|---|---|
| | Less than 1 | 1 to 5 | 6 to 10 | More than 10 | Total |
| Cash in Money Market | $ 357,555 | $ - | $ - | $ - | $ 357,555 |
| Certificates of Deposit | 186,964 | - | - | - | 186,964 |
| Investments ar Fair Value | - | - | - | - | - |
| Total Investments | $ 544,519 | $ - | $ - | $ - | $ 544,519 |

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

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of December 31, 2017:

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| **Investments by Fair Value Level:** | | | | |
| US Treasury Bond/Note | $ - | $ - | $ - | $ - |
| Federal Agency Obligations | - | - | - | - |
| Equities | 357,555 | - | - | 357,555 |
| Mutual Funds | - | - | - | - |
| Subtotal | 357,555 | - | - | 357,555 |
| **Investments measured at Amortized Cost:** | | | | |
| Certificates of Deposit | - | - | - | 186,964 |
| Total Investments | $ 357,555 | $ - | $ - | $ 544,519 |

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are valued using discounted cash flow techniques or valued using consensus pricing.

## 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, 2017.

**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, 2017 are as follows:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Cash Deposits | $ 215,496 | $ 803,483 | $ 1,018,979 |
| Investments | 357,555 | 186,964 | 544,519 |
| Total Cash Deposits and Investments | $ 573,051 | $ 990,447 | $ 1,563,498 |

| **Investment Income:** | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Interest income | $ 3,281 | $ 3,732 | $ 7,013 |
| Net increase (decrease) in the fair value of investments | - | - | - |
| Total Investment Income | $ 3,281 | $ 3,732 | $ 7,013 |

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, 2017, to be collected in the subsequent year, 2018 are accrued as a receivable as of December 31, 2017 and offset by a deferred revenue account.

The Town's property tax calendar for 2017 is as follows:

| | |
|---|---|
| Lien Date | January 1, 2017 |
| Levy Date | November 1, 2017 |
| Tax bills mailed | January 1, 2018 |
| First installment due | February 28, 2018 |
| Second installment due | June 15, 2018 |
| If paid in full, due | April 30, 2018 |
| Tax sale – delinquent taxes | November 15, 2018 |

**NOTE 5 – CAPITAL ASSETS**
The following is a summary of the governmental activities changes in capital assets as of December 31, 2017:

| | Beg Balance | Additions | Retirements | End Balance |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| **Non-Depreciable Assets:** | | | | |
| Land | $ 232,613 | $ - | $ - | $ 232,613 |
| **Depreciable Assets:** | | | | |
| Buildings and improvements | 300,312 | 91,254 | - | 391,566 |
| Machinery and equipment | 280,816 | 71,694 | - | 352,510 |
| **Totals at Historical Cost** | 813,741 | 162,948 | - | 976,689 |
| **Less: Accumulated Depreciation for:** | | | | |
| Buildings and improvements | (161,019) | (15,492) | - | (176,511) |
| Machinery and equipment | (242,435) | (11,053) | - | (253,488) |
| **Total Accumulated Depreciation** | (403,454) | (26,545) | - | (429,999) |
| **Governmental Activities Capital Assets - Net** | $ 410,287 | $ 136,403 | $ - | $ 546,690 |

| **Depreciation expense was charged to Governmental Activities as follows:** | |
|---|---|
| General government | $ 6,764 |
| Public Safety | 121 |
| Culture and recreation | 11,987 |
| Highways and streets | 7,673 |
| **Total Depreciation Expense - Governmental Activities** | $ 26,545 |

## NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of the business-type activities changes in capital assets as of December 31, 2017:

| | Beg Balance | Additions | Retirements | End Balance |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| **Non-Depreciable Assets:** | | | | |
| Land | $ 26,220 | $ - | $ - | $ 26,220 |
| Water rights | 1,861,165 | - | - | 1,861,165 |
| **Depreciable Assets:** | | | | |
| Utility systems | 5,083,756 | 403,294 | - | 5,487,050 |
| Machinery and equipment | 155,981 | 20,785 | - | 176,766 |
| Construction in progress | - | - | - | - |
| **Totals at Historical Cost** | 7,127,122 | 424,079 | - | 7,551,201 |
| **Less: Accumulated Depreciation for:** | | | | |
| Utility systems | (1,404,018) | (101,300) | - | (1,505,318) |
| Machinery and equipment | (80,778) | (19,427) | - | (100,205) |
| **Total Accumulated Depreciation** | (1,484,796) | (120,727) | - | (1,605,523) |
| **Business-Type Activities Capital Assets - Net** | $ 5,642,326 | $ 303,352 | $ - | $ 5,945,678 |

| | |
|---|---|
| **Depreciation expense was charged to Business-Type Activities as follows:** | |
| Water fund | $ 54,998 |
| Sewer fund | 65,729 |
| **Total Depreciation Expense - Business-Type Activities** | $ 120,727 |

## NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2017 is as follows:

| **Governmental Activities** | Interfund Receivable | Interfund Payable | Transfers In | Transfers Out |
|---|---|---|---|---|
| General Fund | $ 8,798 | $ 1,200 | $ 8,000 | $ - |
| Conservation Trust Fund | 1,200 | - | - | 8,000 |
| **Total Governmental Activities** | 9,998 | 1,200 | 8,000 | 8,000 |
| **Business-Type Activities** | | | | |
| Water Fund | 64,786 | 8,798 | - | - |
| Sewer Fund | - | 64,786 | - | - |
| **Total Business-Type Activities** | 64,786 | 73,584 | - | - |
| **Total** | $ 74,784 | $ 74,784 | $ 8,000 | $ 8,000 |

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2017 that balance was $8,798. 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, 2017 is $0. This note was paid in full during 2017.

### Changes in Long-Term Debt

| | 12/31/2016 | Additions | Reductions | 12/31/2017 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Note Payable - Water Pollution Control Revolving Fund Loan** | $ 576,479 | $ - | $ 576,479 | $ - | $ - |
| Total | $ 576,479 | $ - | $ 576,479 | $ - | $ - |

## NOTE 8 – DEBT SERVICE REQUIREMENTS

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

| Year Ending December 31. | Principal | Interest | Total |
|---|---|---|---|
| 2018 | $ - | $ - | $ - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | - | - | - |
| 2023-2027 | - | - | - |
| Totals | $ - | $ - | $ - |

## NOTE 9 – DEBT SERVICE COMPLIANCE AND ACCOUNTABILITY

### Restricted Net Position

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, however during 2017 this loan was paid in full and the Town no longer has these reservations.

## 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, 2017, 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, 2017.

## 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).

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The Town has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements.

### 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 2017). Catch-up contributions up to $6,000 for the calendar year 2017 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, 2017, the Town contributed $7,497.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the solely the property and rights of the participants. The Town has no liability for losses under the plan.

## 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 $87,372 for 2017. A part-time Town employee administers the ordinances not covered by the law enforcement contract.

## NOTE 14 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through June 4, 2018, 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, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Taxes:** | | | | | |
| General property taxes | $ 71,128 | $ 71,128 | **$ 70,715** | $ (413) | $ 66,606 |
| Delinquent property taxes | 200 | 200 | **42** | (158) | 64 |
| Specific ownership taxes | 4,000 | 4,000 | **5,524** | 1,524 | 4,239 |
| General sales and use taxes | 135,000 | 135,000 | **188,156** | 53,156 | 157,293 |
| Franchise taxes | 35,000 | 35,000 | **36,757** | 1,757 | 37,764 |
| Penalties and interest on delinquent taxes | 75 | 75 | **149** | 74 | 192 |
| **Total Taxes** | 245,403 | 245,403 | **301,343** | 55,940 | 266,158 |
| **Licenses and Permits:** | | | | | |
| Business | 600 | 600 | **1,346** | 746 | 885 |
| Non-business | 2,000 | 2,000 | **40,200** | 38,200 | 96,270 |
| **Total Licenses and Permits** | 2,600 | 2,600 | **41,546** | 38,946 | 97,155 |
| **Intergovernmental Revenues:** | | | | | |
| State Grants: | | | | | |
| Cigarette tax | - | - | **-** | - | - |
| Highway users tax | 35,000 | 35,000 | **41,273** | 6,273 | 36,687 |
| State Shared Revenues: | | | | | |
| Additional motor vehicle registration fees | 5,000 | 5,000 | **5,880** | 880 | 6,078 |
| Severance tax | 22,000 | 22,000 | **23,046** | 1,046 | 22,798 |
| Other Governmental Units: | | | | | |
| Weld County road and bridge funds | 4,500 | 4,500 | **4,681** | 181 | 4,613 |
| **Total Intergovernmental Revenues** | 66,500 | 66,500 | **74,880** | 8,380 | 70,176 |
| **Charges for Services:** | | | | | |
| Sanitation: | | | | | |
| Refuse collection charges | 44,400 | 44,400 | **46,807** | 2,407 | 45,465 |
| Health: | | | | | |
| Animal control | 200 | 200 | **-** | (200) | 583 |
| Road inpact fee | - | - | **1,600** | 1,600 | 13,550 |
| **Total Charges for Services** | 44,600 | 44,600 | **48,407** | 3,807 | 59,598 |
| **Fines and Forfeitures - Court Fines** | 12,000 | 12,000 | **11,975** | (25) | 10,325 |
| **Miscellaneous Revenues:** | | | | | |
| Earnings on investments | 2,000 | 2,000 | **3,017** | 1,017 | 2,551 |
| Other income | 4,000 | 4,000 | **7,394** | 3,394 | 3,275 |
| Sale of assets | - | - | **-** | - | 40,210 |
| Insurance proceeds | - | - | **724** | 724 | 101,358 |
| Contributions | - | - | **1,500** | 1,500 | - |
| Grants | 37,382 | 37,382 | **-** | (37,382) | - |
| **Total Miscellaneous Revenues** | 43,382 | 43,382 | **12,635** | (30,747) | 147,394 |
| **Total Revenues** | $ 414,485 | $ 414,485 | **$ 490,786** | $ 76,301 | $ 650,806 |

# TOWN OF PIERCE, COLORADO

*Schedule of Expenditures*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **General Government:** | | | | | |
| **Legislative:** | | | | | |
| Council fees | $ 12,000 | $ 12,000 | **$ 8,080** | $ 3,920 | $ 9,775 |
| Payroll taxes | 700 | 700 | **618** | 82 | 748 |
| Ordinances and proceedings | 500 | 500 | **-** | 500 | - |
| Workmen's compensation | 500 | 500 | **-** | 500 | - |
| Legal | 6,000 | 6,000 | **2,080** | 3,920 | 4,084 |
| Workshop fees | 100 | 100 | **-** | 100 | 1,214 |
| Miscellaneous | 200 | 200 | **-** | 200 | - |
| **Total Legislative** | 20,000 | 20,000 | **10,778** | 9,222 | 15,821 |
| **Judicial:** | | | | | |
| Municipal judge | 3,500 | 3,500 | **4,347** | (847) | 3,099 |
| Miscellaneous | 700 | 700 | **416** | 284 | 640 |
| **Total Judicial** | 4,200 | 4,200 | **4,763** | (563) | 3,739 |
| | | | | | |
| **Elections** | 900 | 900 | **-** | 900 | 736 |
| **Administration:** | | | | | |
| Salaries | 165,000 | 165,000 | **88,358** | 76,642 | 88,429 |
| Payroll taxes | 9,000 | 9,000 | **6,881** | 2,119 | 6,991 |
| Retirement | 3,500 | 3,500 | **2,190** | 1,310 | 2,200 |
| Employee's health insurance | - | - | **1,439** | (1,439) | - |
| Audit and accounting | 30,000 | 30,000 | **13,478** | 16,522 | 18,706 |
| Treasurer's fees | 500 | 500 | **709** | (209) | 669 |
| Office supplies and printing | 10,000 | 10,000 | **7,712** | 2,288 | 15,018 |
| Repairs and maintenance: | | | | | |
| Building | 50,000 | 50,000 | **45,620** | 4,380 | 40,249 |
| Equipment | 1,500 | 1,500 | **653** | 847 | 2,265 |
| Insurance and bonds | 5,000 | 5,000 | **4,049** | 951 | 3,742 |
| Legal | 15,000 | 15,000 | **7,179** | 7,821 | 12,070 |
| Advertising and legal notices | 3,000 | 3,000 | **2,392** | 608 | 2,970 |
| Codification ordinances | 1,000 | 1,000 | **-** | 1,000 | 2,245 |
| Telephone and postage | 4,500 | 4,500 | **4,389** | 111 | 3,703 |
| Utilities | 8,000 | 8,000 | **4,726** | 3,274 | 5,314 |
| Travel and transportation | 1,000 | 1,000 | **1,156** | (156) | 757 |
| Miscellaneous | 35,000 | 35,000 | **4,934** | 30,066 | 13,405 |
| Engineering | 25,000 | 25,000 | **17,963** | 7,037 | 14,625 |
| Capital outlay | 10,000 | 10,000 | **81,454** | (71,454) | 13,350 |
| **Total Administration** | 377,000 | 377,000 | **295,282** | 81,718 | 246,708 |
| **Planning and Zoning:** | | | | | |
| Miscellaneous | 300 | 300 | **-** | 300 | - |
| **Total Planning and Zoning** | 300 | 300 | **-** | 300 | - |
| **Total General Government** | 402,400 | 402,400 | **310,823** | 91,577 | 267,004 |

**(continued on next page)**

## TOWN OF PIERCE, COLORADO

*Schedule of Expenditures*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Public Safety:** | | | | | |
| **Police:** | | | | | |
| Police department contract | $ 110,000 | $ 110,000 | **$ 87,372** | $ 22,628 | $ 92,227 |
| Salaries | 20,800 | 20,800 | **17,941** | 2,859 | 16,944 |
| Payroll taxes | 2,000 | 2,000 | **1,448** | 552 | 1,341 |
| Retirement | 650 | 650 | **1,049** | (399) | 989 |
| Health insurance | - | - | **121** | (121) | - |
| Gas and oil | 600 | 600 | **537** | 63 | 239 |
| Travel and transportation | 200 | 200 | **-** | 200 | - |
| Supplies | 500 | 500 | **141** | 359 | 288 |
| Insurance and bonds | 4,500 | 4,500 | **5,123** | (623) | 3,892 |
| Miscellaneous | 1,500 | 1,500 | **611** | 889 | 697 |
| Capital outlay | 500 | 500 | **1,454** | (954) | - |
| **Total Police** | 141,250 | 141,250 | **115,797** | 25,453 | 116,617 |
| Building inspections | - | - | **12,873** | (12,873) | 27,440 |
| **Total Public Safety** | 141,250 | 141,250 | **128,670** | 12,580 | 144,057 |
| **Public Works:** | | | | | |
| **Highways and Streets:** | | | | | |
| Salaries | 45,000 | 45,000 | **46,040** | (1,040) | 41,729 |
| Payroll taxes | 5,000 | 5,000 | **3,701** | 1,299 | 3,304 |
| Retirement | 1,350 | 1,350 | **414** | 936 | 347 |
| Employee's health insurance | - | - | **905** | (905) | - |
| Repairs | 1,200 | 1,200 | **73** | 1,127 | - |
| Maintenance | 20,000 | 20,000 | **44,468** | (24,468) | 3,752 |
| Drainage maintenance | 6,000 | 6,000 | **-** | 6,000 | - |
| Gas and oil | 4,000 | 4,000 | **1,111** | 2,889 | 1,786 |
| Insurance and bonds | 3,000 | 3,000 | **2,011** | 989 | 1,819 |
| Miscellaneous | 5,000 | 5,000 | **2,529** | 2,471 | 1,435 |
| Street lighting | 20,000 | 20,000 | **18,373** | 1,627 | 19,176 |
| Capital outlay | 75,000 | 75,000 | **74,190** | 810 | 21,653 |
| **Total Highways and Streets** | 185,550 | 185,550 | **193,815** | (8,265) | 95,001 |
| **Sanitation:** | | | | | |
| Waste collection | 45,000 | 45,000 | **40,120** | 4,880 | 37,807 |
| **Total Public Works** | 230,550 | 230,550 | **233,935** | (3,385) | 132,808 |
| **Health and Welfare - Animal Control** | 1,800 | 1,800 | **-** | 1,800 | 1 |
| **Culture - Recreation:** | | | | | |
| **Parks:** | | | | | |
| Salaries | 35,000 | 35,000 | **32,325** | 2,675 | 30,898 |
| Payroll taxes | 4,000 | 4,000 | **2,600** | 1,400 | 2,446 |
| Retirement | 1,050 | 1,050 | **414** | 636 | 347 |
| Health insurance | - | - | **372** | (372) | - |
| Maintenance | 15,000 | 15,000 | **8,802** | 6,198 | 16,065 |
| Insurance | 2,500 | 2,500 | **2,054** | 446 | 1,777 |
| Miscellaneous | 15,000 | 15,000 | **4,849** | 10,151 | 5,000 |
| Capital outlay | 55,282 | 55,282 | **5,850** | 49,432 | - |
| **Total Culture - Recreation** | 127,832 | 127,832 | **57,266** | 70,566 | 56,533 |
| **Total Expenditures** | $ 903,832 | $ 903,832 | **$ 730,694** | $ 173,138 | $ 600,403 |

## TOWN OF PIERCE, COLORADO

*Reconciliation of Budgetary Basis to GAAP Basis*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Revenues:** | | | | | |
| Taxes | $ 245,403 | $ 245,403 | **$ 301,343** | $ 55,940 | $ 266,158 |
| Licenses and permits | 2,600 | 2,600 | **41,546** | 38,946 | 97,155 |
| Intergovernmental revenues | 66,500 | 66,500 | **74,880** | 8,380 | 70,176 |
| Charges for services | 44,600 | 44,600 | **48,407** | 3,807 | 59,598 |
| Fines and forfeitures | 12,000 | 12,000 | **11,975** | (25) | 10,325 |
| Miscellaneous revenues | 43,382 | 43,382 | **12,635** | (30,747) | 147,394 |
| **Total Revenues** | 414,485 | 414,485 | **490,786** | 76,301 | 650,806 |
| **Transfers In:** | | | | | |
| Conservation Trust Fund | 50,000 | 50,000 | **8,000** | (42,000) | 8,100 |
| **Total Transfers In** | 50,000 | 50,000 | **8,000** | (42,000) | 8,100 |
| **Total Revenues and Transfers In** | 464,485 | 464,485 | **498,786** | 34,301 | 658,906 |
| **Expenditures:** | | | | | |
| General government | 402,400 | 402,400 | **310,823** | 91,577 | 267,004 |
| Public safety | 141,250 | 141,250 | **128,670** | 12,580 | 144,057 |
| Public works | 230,550 | 230,550 | **233,935** | (3,385) | 132,808 |
| Health and welfare | 1,800 | 1,800 | **-** | 1,800 | 1 |
| Culture - recreation | 127,832 | 127,832 | **57,266** | 70,566 | 56,533 |
| **Total Expenditures** | 903,832 | 903,832 | **730,694** | 173,138 | 600,403 |
| **Transfers Out:** | | | | | |
| Water Fund | - | - | **-** | - | - |
| **Total Transfers Out** | - | - | **-** | - | - |
| **Total Expenditures and Transfers Out** | 903,832 | 903,832 | **730,694** | 173,138 | 600,403 |
| **Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers** | $ (439,347) | $ (439,347) | **(231,908)** | $ 207,439 | $ 58,503 |
| **Reconciliation of Budgetary Basis to GAAP Basis:** | | | | | |
| Capital asset purchases capitalized | | | **162,948** | | |
| Depreciation expense | | | **(26,545)** | | |
| Compensated absences | | | **6** | | |
| **Change in Net Position** | | | **$ (95,499)** | | |

**TOWN OF PIERCE, COLORADO**

*Budgetary Comparison Schedule*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Revenues:** | | | | | |
| **Intergovernmental Revenue:** | | | | | |
| State Grants: | | | | | |
| Conservation Trust Fund Apportionment | $ 8,000 | $ 8,000 | **$ 8,701** | $ 701 | $ 9,756 |
| **Total Intergovernmental Revenue** | 8,000 | 8,000 | **8,701** | 701 | 9,756 |
| **Charges for Services:** | | | | | |
| Culture-Recreation: | | | | | |
| Park Fee | 600 | 600 | **1,250** | 650 | 10,800 |
| **Miscellaneous Revenues:** | | | | | |
| Earnings on investments | 50 | 50 | **264** | 214 | 247 |
| Other revenue | - | - | **-** | - | - |
| **Total Revenues** | 8,650 | 8,650 | **10,215** | 1,565 | 20,803 |
| **Expenditures:** | | | | | |
| General Government: | | | | | |
| Miscellaneous | - | - | **-** | - | - |
| **Total Expenditures** | - | - | **-** | - | - |
| **Transfers Out:** | | | | | |
| General Fund | 50,000 | 50,000 | **8,000** | 42,000 | 8,100 |
| **Total Transfers Out** | 50,000 | 50,000 | **8,000** | 42,000 | 8,100 |
| **Total Expenditures and Transfers Out** | 50,000 | 50,000 | **8,000** | 42,000 | 8,100 |
| **Excess (Deficit) of Revenues Over Expenditures and Transfers Out** | $ (41,350) | $ (41,350) | **2,215** | $ 43,565 | $ 12,703 |
| **Reconciliation of Budgetary Basis to GAAP Basis:** | | | | | |
| Capital asset purchases capitalized | | | **-** | | |
| Depreciation expense | | | **-** | | |
| **Change in Net Position** | | | **$ 2,215** | | |

## *OTHER SUPPLEMENTAL INFORMATION*

## TOWN OF PIERCE, COLORADO

*Schedule of Revenues*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Operating Revenues:** | | | | | |
| Charges for services | $ 300,000 | $ 300,000 | **$ 350,616** | $ 50,616 | $ 338,397 |
| Water surcharges | - | - | **16,108** | 16,108 | 407 |
| Tap fees | 25,000 | 25,000 | **25,000** | - | 200,200 |
| Drainage fees | 5,000 | 5,000 | **6,407** | 1,407 | 30,458 |
| Other fees | - | - | **-** | - | - |
| **Total Operating Revenues** | 330,000 | 330,000 | **398,131** | 68,131 | 569,462 |
| **Non-Operating Revenues:** | | | | | |
| Interest on investments | 170 | 170 | **416** | 246 | 802 |
| Transfer from other funds | - | - | **-** | - | - |
| Other revenue | 11,000 | 11,000 | **26,330** | 15,330 | 16,023 |
| **Total Non-Operating Revenues** | 11,170 | 11,170 | **26,746** | 15,576 | 16,825 |
| **Miscellaneous Revenues:** | | | | | |
| Contributions | - | - | **-** | - | 505,500 |
| Sale of assets | - | - | **-** | - | - |
| Grant proceeds | - | - | **-** | - | 504,450 |
| Insurance proceeds | - | - | **-** | - | - |
| Transfers In (Out) | - | - | **-** | - | - |
| **Total Miscellaneous Revenues** | - | - | **-** | - | 1,009,950 |
| **Total Revenues** | $ 341,170 | $ 341,170 | **$ 424,877** | $ 83,707 | $ 1,596,237 |

**TOWN OF PIERCE, COLORADO**

*Schedule of Expenditures*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Operating Expenditures:** | | | | | |
| **System Operation & Maintenance:** | | | | | |
| Salaries | $ 40,000 | $ 40,000 | **$ 24,167** | $ 15,833 | $ 23,486 |
| Payroll taxes | 3,500 | 3,500 | **1,948** | 1,552 | 1,860 |
| Retirement | 1,200 | 1,200 | **620** | 580 | 490 |
| Health insurance | - | - | **649** | (649) | - |
| Fuel and power | 19,000 | 19,000 | **12,520** | 6,480 | 17,669 |
| Supplies and expenses | 1,200 | 1,200 | **176** | 1,024 | 186 |
| Insurance and bonds | 5,000 | 5,000 | **4,878** | 122 | 3,791 |
| Water assessments | 20,000 | 20,000 | **14,430** | 5,570 | 14,278 |
| Water purchases | 170,000 | 170,000 | **118,169** | 51,831 | 109,660 |
| Water augmentation | 3,000 | 3,000 | **2,325** | 675 | - |
| Water testing | 6,000 | 6,000 | **1,537** | 4,463 | 1,202 |
| Repairs and maintenance | 50,000 | 50,000 | **20,158** | 29,842 | 17,504 |
| Engineering | 80,000 | 80,000 | **7,358** | 72,642 | 7,907 |
| **Total System Operation & Maintenance** | 398,900 | 398,900 | **208,935** | 189,965 | 198,033 |
| **Administrative & General:** | | | | | |
| Salaries | 30,000 | 30,000 | **25,961** | 4,039 | 24,450 |
| Payroll taxes | 3,000 | 3,000 | **2,094** | 906 | 1,935 |
| Retirement | 900 | 900 | **1,532** | (632) | 1,516 |
| Health insurance | - | - | **187** | (187) | - |
| Office supplies | 2,000 | 2,000 | **744** | 1,256 | 2,257 |
| Audit and accounting | 30,000 | 30,000 | **12,192** | 17,808 | 13,303 |
| Legal | 10,000 | 10,000 | **860** | 9,140 | - |
| Telephone and postage | 4,500 | 4,500 | **3,737** | 763 | 3,343 |
| Insurance and bonds | 6,000 | 6,000 | **5,274** | 726 | 4,912 |
| Travel expense | 300 | 300 | **-** | 300 | 43 |
| Miscellaneous general expenses | 20,000 | 20,000 | **3,736** | 16,264 | 10,793 |
| **Total Administrative & General** | 106,700 | 106,700 | **56,317** | 50,383 | 62,552 |
| **Total Operating Expenditures** | 505,600 | 505,600 | **265,252** | 240,348 | 260,585 |
| **Non-Operating Expenditures:** | | | | | |
| Capital outlay | 10,500 | 485,500 | **325,887** | 159,613 | 1,722,233 |
| **Total Non-Operating Expenditures** | 10,500 | 485,500 | **325,887** | 159,613 | 1,722,233 |
| **Total Expenditures** | $ 516,100 | $ 991,100 | **$ 591,139** | $ 399,961 | $ 1,982,818 |

## TOWN OF PIERCE, COLORADO

*Reconciliation of Budgetary Basis to GAAP Basis*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Revenues:** | | | | | |
| Operating revenues | $ 330,000 | $ 330,000 | **$ 398,131** | $ 68,131 | $ 569,462 |
| Non-operating revenues | 11,170 | 11,170 | **26,746** | 15,576 | 16,825 |
| Miscellaneous revenues | - | - | **-** | - | 1,009,950 |
| **Total Revenues** | 341,170 | 341,170 | **424,877** | 83,707 | 1,596,237 |
| **Expenditures:** | | | | | |
| System operation & maintenance | 398,900 | 398,900 | **208,935** | 189,965 | 198,033 |
| Administrative & general | 106,700 | 106,700 | **56,317** | 50,383 | 62,552 |
| Capital outlay | 10,500 | 485,500 | **325,887** | 159,613 | 1,722,233 |
| **Total Expenditures** | 516,100 | 991,100 | **591,139** | 399,961 | 1,982,818 |
| **Excess (Deficiency) of Revenues over Expenditures** | $ (174,930) | $ (649,930) | **(166,262)** | $ 483,668 | $ (386,581) |
| **Reconciliation of Budgetary Basis to GAAP Basis:** | | | | | |
| Capital assets purchases capitalized | | | **325,887** | | |
| Depreciation expense | | | **(54,998)** | | |
| **Change in Net Position** | | | **$ 104,627** | | |

**TOWN OF PIERCE, COLORADO**

*Schedule of Revenues*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | 2016 |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Operating Revenues:** | | | | | |
| Charges for services | $ 280,000 | $ 280,000 | **$ 318,202** | $ 38,202 | $ 313,100 |
| Tap Fees | - | - | **8,500** | 8,500 | 68,000 |
| **Total Operating Revenues** | 280,000 | 280,000 | **326,702** | 46,702 | 381,100 |
| **Non-Operating Revenues:** | | | | | |
| Interest on investments | 2,200 | 2,200 | **3,316** | 1,116 | 3,018 |
| Other revenue | 300 | 300 | **681** | 381 | 3,470 |
| **Total Non-Operating Revenues** | 2,500 | 2,500 | **3,997** | 1,497 | 6,488 |
| **Miscellaneous Income:** | | | | | |
| Contributions | - | - | **-** | - | - |
| Insurance proceeds | - | - | **-** | - | 18,248 |
| Transfers In (Out) | - | - | **-** | - | - |
| **Total Miscellaneous Revenues** | - | - | **-** | - | 18,248 |
| **Total Revenues** | $ 282,500 | $ 282,500 | **$ 330,699** | $ 48,199 | $ 405,836 |

## TOWN OF PIERCE, COLORADO

*Schedule of Expenditures*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | **2016** |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Operating Expenditures:** | | | | | |
| **System Operation & Maintenance:** | | | | | |
| Salaries | $ 30,000 | $ 30,000 | **$ 25,856** | $ 4,144 | $ 23,486 |
| Payroll taxes | 3,000 | 3,000 | **1,891** | 1,109 | 1,860 |
| Retirement | 900 | 900 | **620** | 280 | 542 |
| Health insurance | - | - | **692** | (692) | - |
| Fuel and Power | 50,000 | 50,000 | **30,928** | 19,072 | 26,668 |
| Supplies and expenses | 20,000 | 20,000 | **1,994** | 18,006 | 1,504 |
| Insurance and bonds | 3,000 | 3,000 | **2,788** | 212 | 2,167 |
| Repairs and maintenance | 160,000 | 160,000 | **110,925** | 49,075 | 120,848 |
| Lagoon testing | 40,000 | 40,000 | **16,156** | 23,844 | 14,863 |
| Engineering | 75,600 | 75,600 | **27,577** | 48,023 | 38,554 |
| **Total System Operation & Maintenance** | 382,500 | 382,500 | **219,427** | 163,073 | 230,492 |
| **Administrative & General:** | | | | | |
| Salaries | 30,000 | 30,000 | **25,602** | 4,398 | 24,138 |
| Payroll taxes | 3,000 | 3,000 | **2,055** | 945 | 1,910 |
| Retirement | 900 | 900 | **658** | 242 | 633 |
| Health insurance | - | - | **549** | (549) | - |
| Office supplies | 2,000 | 2,000 | **437** | 1,563 | 422 |
| Audit and accounting | 20,000 | 20,000 | **5,592** | 14,408 | 7,814 |
| Legal | 12,150 | 12,150 | **405** | 11,745 | - |
| Insurance and bonds | 4,000 | 4,000 | **3,126** | 874 | 2,807 |
| Telephone and postage | 3,000 | 3,000 | **2,423** | 577 | 1,905 |
| Travel expense | 1,000 | 1,000 | **-** | 1,000 | - |
| Miscellaneous general expenses | 25,000 | 25,000 | **980** | 24,020 | 1,291 |
| **Total Administrative & General** | 101,050 | 101,050 | **41,827** | 59,223 | 40,920 |
| **Total Operating Expenditures** | 483,550 | 483,550 | **261,254** | 222,296 | 271,412 |
| **Non-Operating Expenditures:** | | | | | |
| **Capital outlay** | 150,000 | 150,000 | **98,192** | 51,808 | 14,424 |
| **Debt service:** | | | | | |
| Principal | 43,264 | 443,264 | **576,479** | (133,215) | 42,464 |
| Interest | 10,607 | 10,607 | **6,027** | 4,580 | 11,276 |
| **Total Non-Operating Expenditures** | 203,871 | 603,871 | **680,698** | (76,827) | 68,164 |
| **Total Expenditures** | $ 687,421 | $ 1,087,421 | **$ 941,952** | $ 145,469 | $ 339,576 |

## TOWN OF PIERCE, COLORADO

*Reconciliation of Budgetary Basis to GAAP Basis*

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

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Budget | | | Variance - Favorable | **2016** |
| ***Non-GAAP Budgetary Basis*** | Original | Final | **Actual** | (Unfavorable) | Actual |
| **Revenues:** | | | | | |
| Operating revenues | $ 280,000 | $ 280,000 | **$ 326,702** | $ 46,702 | $ 381,100 |
| Non-operating revenues | 2,500 | 2,500 | **3,997** | 1,497 | 6,488 |
| Miscellaneous revenues | - | - | **-** | - | 18,248 |
| **Total Revenues** | 282,500 | 282,500 | **330,699** | 48,199 | 405,836 |
| **Expenditures:** | | | | | |
| System operations & maintenance | 382,500 | 382,500 | **219,427** | 163,073 | 230,492 |
| Administrative & general | 101,050 | 101,050 | **41,827** | 59,223 | 40,920 |
| Non-operating | 203,871 | 603,871 | **680,698** | (76,827) | 68,164 |
| **Total Expenditures** | 687,421 | 1,087,421 | **941,952** | 145,469 | 339,576 |
| **Excess (Deficiency) of Revenues over Expenditures** | $ (404,921) | $ (804,921) | **(611,253)** | $ 193,668 | $ 66,260 |
| **Reconciliation of Budgetary Basis to GAAP Basis:** | | | | | |
| Capital assets purchases capitalized | | | **98,192** | | |
| Depreciation expense | | | **(65,729)** | | |
| Long-term debt payments | | | **576,479** | | |
| **Change in Net Position** | | | **$ (2,311)** | | |

| | | |
|---|---|---|
| **LOCAL HIGHWAY FINANCE REPORT** | | City or County:<br>**TOWN OF PIERCE, COLORADO** |
| | | YEAR ENDING :<br>**December 2017** |
| This Information From The Records Of (example - City of _ or County of _) | Prepared By:<br>Phone: | **PAT LARSON, TOWN CLERK**<br>***(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 | 116,174 |
| 3. Other local imposts (from page 2) | 4,681 |
| 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) | 120,855 |
| **B. Private Contributions** | 0 |
| **C. Receipts from State government** (from page 2) | 47,153 |
| **D. Receipts from Federal Government** (from page 2) | 0 |
| **E. Total receipts (A.7 + B + C + D)** | 168,008 |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | | AMOUNT |
|---|---|---|
| **A. Local highway disbursements:** | | |
| 1. Capital outlay (from page 2) | | 74,190 |
| 2. Maintenance: | | 55,225 |
| 3. Road and street services: | | |
| a. Traffic control operations | | 0 |
| b. Snow and ice removal | | 0 |
| c. Other | **Street Lighting** | 18,373 |
| d. Total (a. through c.) | | 18,373 |
| 4. General administration & miscellaneous | | 0 |
| 5. Highway law enforcement and safety | | 20,220 |
| 6. Total (1 through 5) | | 168,008 |
| **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)** | | 168,008 |

## 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 | 168,008 | 168,008 | 0 | 0 |

**Notes and Comments:**

| LOCAL HIGHWAY FINANCE REPORT | STATE: **Colorado**<br>YEAR ENDING (mm/yy): **December 2017** |
|---|---|

## II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---|---|---|
| **A.3. Other local imposts:** | | **A.4. Miscellaneous local receipts:** | |
| a. Property Taxes and Assessments | 0 | a. Interest on investments | 0 |
| b. Other local imposts: | | b. Traffic Fines & 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 | 4,681 | g. Other Misc. Receipts | 0 |
| 6. Total (1. through 5.) | 4,681 | h. Other | 0 |
| c. Total (a. + b.) | 4,681 | 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 | 41,273 | 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 | 5,880 | 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.) | 5,880 | g. Total (a. through f.) | 0 |
| 4. Total (1. + 2. + 3.f) | 47,153 | 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 | 69,500 | 69,500 |
| (3). System Preservation | 0 | 4,690 | 4,690 |
| (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 | 74,190 |
| | | | (Carry forward to page 1) |

**Notes and Comments:**