Annual Financial Report

Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2019

Tim Chavies & Associates, Inc.

Certified Public Accountants
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Greeley, Colorado 80634
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TOWN OF PIERCE, COLORADO

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December 31, 2019

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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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
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 the 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 and budgetary comparison information on pages 28-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The budgetary comparisons 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
August 31, 2020

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019

This section of Town of Pierce, State of Colorado's (Town) 2019 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2019. 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 $407,232 during 2019, compared to $101,048 in 2018. The increase was due to property and sales tax increase, licenses and permits increase, and tap fees received.

- The Town capitalized $12,396 of capital assets, and recorded depreciation of $152,425 during 2019. In 2018 the District capitalized $90,123 and recorded depreciation of $166,226.

- Total revenues for the governmental funds were $976,404 in 2019 compared to $570,347 in 2018, an increase of $406,057 or 71.19%. Total expenditures were $596,591 in 2019 compared to $556,641 in 2018, as increase of $39,950 or 7.18%.

- Total operating revenues for the proprietary funds were $800,168 in 2019 compared to $733,139 in 2018, an increase of $67,029 or 9.14%. Total operating expenditures were $736,151 in 2019 compared to $683,271 in 2018, an increase of $52,880 or 7.74%.

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.

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, 2019:

	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 1,119,885	$ 1,415,197	$ 2,535,082
Capital assets, net	476,396	5,772,467	6,248,863
Total Assets	**1,596,281**	**7,187,664**	**8,783,945**
Total Deferred Outflows	-	-	-
Current liabilities	19,355	48,457	67,812
Noncurrent liabilities	11,659	-	11,659
Total Liabilities	**31,014**	**48,457**	**79,471**
Unearned revenues - property taxes	112,901	-	112,901
Total Deferred Inflows	**112,901**	-	**112,901**
Net investment in capital assets	473,296	5,772,467	6,245,763
Restricted for Tabor	28,597	-	28,597
Restricted for parks & recreation	66,572	-	66,572
Unrestricted	883,901	1,366,740	2,250,641
Total Net Position	**$ 1,452,366**	**$ 7,139,207**	**$ 8,591,573**

The restricted portion of net position ($95,169) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2,250,641) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2019:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 50,290	$ 781,551	$ 831,841
General Revenues:			
Taxes	536,083	-	536,083
Licenses and permits	218,773	-	218,773
Intergovermental revenues	145,970	-	145,970
Fines and forfeitures	7,530	-	7,530
Earnings on investment	5,519	5,742	11,261
Other	12,239	18,617	30,856
Total Revenues	**976,404**	**805,910**	**1,782,314**
Expenses:			
General government	250,199	-	250,199
Public safety	192,554	-	192,554
Public works	133,918	-	133,918
Health and welfare	-	-	-
Culture - recreation	62,260	-	62,260
Other	-	-	-
Water	-	370,445	370,445
Sewer	-	365,706	365,706
Total Expenses	**638,931**	**736,151**	**1,375,082**
Change in Net Position	**337,473**	**69,759**	**407,232**
Net Position - beginning	1,114,893	7,069,448	8,184,341
Net Position - ending	**$ 1,452,366**	**$ 7,139,207**	**$ 8,591,573**

Net position increased to $8,591,573, an increase of $407,232 from 2018. The increase due to property and sales tax increases, license and permit increases, along with capital outlay of $12,396, less depreciation expense of $161,221 and tap fees.

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, 2019, the Town's governmental funds reported combined ending fund balances of $987,629 an increase of $379,813 in comparison with 2018. Approximately 53.35% of this total amount ($526,913) constitutes *unassigned* 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	$ 221,878	$ 26,220	$ 248,098
Water rights	-	1,927,165	1,927,165
Utility systems	-	5,491,141	5,491,141
Buildings and improvements	394,311	-	394,311
Machinery and equipment	290,538	151,779	442,317
Total Capital Assets	**906,727**	**7,596,305**	**8,503,032**
Less: Accumulated depreciation	(430,331)	(1,823,838)	(2,254,169)
Net Capital Assets	**$ 476,396**	**$ 5,772,467**	**$ 6,248,863**

Capital assets – net of depreciation decreased $152,425 during 2019 due to capital outlay (assets acquired) less depreciation (See Note 7 for further discussion).

DEBT ADMINISTRATION

The Town is debt free.

ECONOMIC FACTORS
Rimrock finished construction in 2019 as scheduled and is in full operation. The 2019 revenue reflects the construction stage resulting in an increase in building permit fees and taxes.

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 Kristina Duran, 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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 526,104	$ 760,549	**$ 1,286,653**
Cash with county treasurer	8,127	-	**8,127**
Cash in savings	2,705	196	**2,901**
Total Cash	536,936	760,745	**1,297,681**
Money market account	151	-	**151**
Colotrust	429,908	542,829	**972,737**
Total Investments	430,059	542,829	**972,888**
Accounts receivable	39,447	110,962	**150,409**
Accrued interest receivable	-	-	**-**
Property taxes receivable	112,901	-	**112,901**
Prepaid expenses	542	661	**1,203**
Internal balances	-	-	**-**
Total Current Assets	1,119,885	1,415,197	**2,535,082**
Capital Assets:			
Land	221,878	26,220	**248,098**
Water rights	-	1,927,165	**1,927,165**
Utility systems	-	5,491,141	**5,491,141**
Buildings and improvements	394,311	-	**394,311**
Machinery and equipment	290,538	151,779	**442,317**
Total Capital Assets	906,727	7,596,305	**8,503,032**
Less: accumulated depreciation	(430,331)	(1,823,838)	**(2,254,169)**
Net Capital Assets	476,396	5,772,467	**6,248,863**
Total Assets	1,596,281	7,187,664	**8,783,945**
LIABILITIES			
Current Liabilities:			
Accounts payable	14,650	34,549	**49,199**
Payroll taxes payable	4,305	5,263	**9,568**
Accrued interest payable	-	-	**-**
Deposits	400	8,645	**9,045**
Total Current Liabilities	19,355	48,457	**67,812**
Noncurrent Liabilities:			
Compensated absences	8,559	-	**8,559**
Capital lease obligations	3,100	-	**3,100**
Total Noncurrent Liabilities	11,659	-	**11,659**
Total Liabilities	31,014	48,457	**79,471**
DEFERRED INFLOWS			
Unearned revenue - property taxes	112,901	-	**112,901**
NET POSITION			
Net investment in capital assets	473,296	5,772,467	**6,245,763**
Restricted for tabor	28,597	-	**28,597**
Restricted for parks and recreation	66,572	-	**66,572**
Unrestricted	883,901	1,366,740	**2,250,641**
Total Net Position	$ 1,452,366	$ 7,139,207	**$ 8,591,573**

TOWN OF PIERCE, COLORADO

Statement of Activities

Government-Wide

December 31, 2019

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (250,199)	$ -	$ -	$ (250,199)	$ -	**$ (250,199)**
Public safety	(192,554)	-	-	(192,554)	-	**(192,554)**
Public works	(133,918)	50,290	-	(83,628)	-	**(83,628)**
Health and welfare	-	-	-	-	-	**-**
Culture - recreation	(62,260)	-	-	(62,260)	-	**(62,260)**
Total Governmental Activities	(638,931)	50,290	-	(588,641)	-	**(588,641)**
Business-Type Activities:						
Water fund	(370,445)	400,033	-	-	29,588	**29,588**
Sewer fund	(365,706)	381,518	-	-	15,812	**15,812**
Total Business-Type Activities	(736,151)	781,551	-	-	45,400	**45,400**
Total Primary Government	$ (1,375,082)	$ 831,841	$ -	(588,641)	45,400	**(543,241)**
General Revenues:						
Taxes				536,083	-	**536,083**
Licenses and permits				218,773	-	**218,773**
Intergovernmental revenue				145,970	-	**145,970**
Fines and forfeitures				7,530	-	**7,530**
Miscellaneous income				12,239	18,617	**30,856**
Sale of assets				-	-	**-**
Grants				-	-	**-**
Insurance proceeds				-	-	**-**
Interest income				5,519	5,742	**11,261**
Transfers				-	-	**-**
Contributions				-	-	**-**
Total General Revenues				926,114	24,359	**950,473**
Change in Net Position				337,473	69,759	**407,232**
Net Position-beginning of year				1,114,893	7,069,448	**8,184,341**
Net Position-end of year				$ 1,452,366	$ 7,139,207	**$ 8,591,573**

TOWN OF PIERCE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2019

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 526,104	$ -	$ **526,104**
Cash with county treasurer	8,127	-	**8,127**
Cash in savings	-	2,705	**2,705**
Total Cash	534,231	2,705	**536,936**
Money market account	151	-	**151**
Colotrust	366,041	63,867	**429,908**
Total Investments	366,192	63,867	**430,059**
Accounts receivable	39,447	-	**39,447**
Accrued interest receivable	-	-	**-**
Property taxes receivable	112,901	-	**112,901**
Prepaid expenses	542	-	**542**
Due from other funds	-	-	**-**
Total Current Assets	1,053,313	66,572	**1,119,885**
Total Assets	$ 1,053,313	$ 66,572	$ **1,119,885**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 14,650	$ -	$ **14,650**
Payroll taxes payable	4,305	-	**4,305**
Deposits	400	-	**400**
Due to other funds	-	-	**-**
Total Current Liabilities	19,355	-	**19,355**
Total Liabilities	19,355	-	**19,355**
DEFERRED INFLOWS			
Unearned revenue - property taxes	112,901	-	**112,901**
Total Liabilities & Deferred Inflows	132,256	-	**132,256**
FUND BALANCE			
Non-spendable - prepaids	542	-	**542**
Restricted:			
Tabor	28,597	-	**28,597**
Parks and recreation	-	61,222	**61,222**
Committed - subsequent year's expenditures	365,005	5,350	**370,355**
Assigned	-	-	**-**
Unassigned	526,913	-	**526,913**
Total Fund Balance	921,057	66,572	**987,629**
Total Liabilities, Deferred Inflows & Fund Balance	$ 1,053,313	$ 66,572	$ **1,119,885**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance		$ **987,629**
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	906,727	
Less: accumulated depreciation	(430,331)	
		476,396
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:		
Compensated absences		**(8,559)**
Capital lease obligations		**(3,100)**
Net Position of Governmental Activities		$ **1,452,366**

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, 2019

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 536,083	$ -	**$ 536,083**
Licenses and permits	218,773	-	**218,773**
Intergovernmental revenue	132,979	12,991	**145,970**
Charges for services	50,290	-	**50,290**
Fines and forfeitures	7,530	-	**7,530**
Miscellaneous revenues	17,192	566	**17,758**
Total Revenues	962,847	13,557	**976,404**
Expenditures:			
General government	232,970	-	**232,970**
Public safety	192,263	-	**192,263**
Public works	117,080	-	**117,080**
Health and welfare	-	-	**-**
Culture - recreation	54,278	-	**54,278**
Total Expenditures	596,591	-	**596,591**
Excess (Deficiency) of Revenues over Expenditures	366,256	13,557	**379,813**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	-	**-**
Insurance proceeds	-	-	**-**
Transfers in	15,000	-	**15,000**
Transfers out	-	(15,000)	**(15,000)**
Total Other Financing Sources (Uses)	15,000	(15,000)	**-**
Net Change in Fund Balance	381,256	(1,443)	**379,813**
Fund Balance - beginning of year	539,801	68,015	**607,816**
Fund Balance - End of Year	$ 921,057	$ 66,572	**$ 987,629**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:

Net Change in Fund Balance - Total Governmental Funds	**$ 379,813**
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 to those expenditures over the life of the assets:	
Capital assets sold	**-**
Capital asset purchases capitalized	**3,600**
Depreciation expense	**(36,836)**
Loan proceeds provide current financial resources to the governmental fund and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement of net position:	
Loan proceeds	**(3,600)**
Capital lease payments	**500**
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	**(6,004)**
Change in Net Position of Governmental Activities	**$ 337,473**

TOWN OF PIERCE, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2019

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 668,336	$ 92,213	**$ 760,549**
Cash in savings	7	189	**196**
Total Cash	668,343	92,402	**760,745**
Money market account	-	-	**-**
Colotrust	11,976	530,853	**542,829**
Total Investments	11,976	530,853	**542,829**
Accounts receivable	110,962	-	**110,962**
Accrued interest receivable	-	-	**-**
Prepaid expenses	421	240	**661**
Due from other funds	-	-	**-**
Total Current Assets	791,702	623,495	**1,415,197**
Capital Assets:			
Land	2,273	23,947	**26,220**
Water rights	1,927,165	-	**1,927,165**
Utility systems	2,621,110	2,870,031	**5,491,141**
Machinery and equipment	46,986	104,793	**151,779**
Total Capital Assets	4,597,534	2,998,771	**7,596,305**
Less: Accumulated depreciation	(946,315)	(877,523)	**(1,823,838)**
Net Capital Assets	3,651,219	2,121,248	**5,772,467**
Total Assets	4,442,921	2,744,743	**7,187,664**
LIABILITIES			
Current Liabilities:			
Accounts payable	21,146	13,403	**34,549**
Payroll taxes payable	3,349	1,914	**5,263**
Accrued interest payable	-	-	**-**
Deposits	8,645	-	**8,645**
Due to other funds	-	-	**-**
Total Current Liabilities	33,140	15,317	**48,457**
Total Liabilities	33,140	15,317	**48,457**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	33,140	15,317	**48,457**
NET POSITION			
Net investment in capital assets	3,651,219	2,121,248	**5,772,467**
Restricted	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	276,700	355,600	**632,300**
Undesignated	481,862	252,578	**734,440**
Total Net Position	$ 4,409,781	$ 2,729,426	**$ 7,139,207**

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2019

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 400,033	$ 381,518	$ **781,551**
Other revenue	10,430	8,187	**18,617**
Total Operating Revenues	410,463	389,705	**800,168**
Operating Expenses:			
System Operation and Maintenance:			
Salaries	33,670	32,765	**66,435**
Payroll taxes	2,675	2,675	**5,350**
Retirement	891	891	**1,782**
Health insurance	-	-	**-**
Supplies	4,915	1,984	**6,899**
Insurance	-	-	**-**
Utilities	3,698	28,527	**32,225**
Miscellaneous	288	4,533	**4,821**
Engineering	932	1,618	**2,550**
Outside services	28,480	61,996	**90,476**
Fuel	230	68	**298**
Water purchased	127,516	-	**127,516**
Water assessments	12,812	-	**12,812**
Monitoring and testing	2,331	45,155	**47,486**
System maintenance	3,768	47,423	**51,191**
Total System Operation and Maintenance	222,206	227,635	**449,841**
Administrative and General:			
Salaries	20,233	19,335	**39,568**
Payroll taxes	1,798	1,669	**3,467**
Retirement	561	548	**1,109**
Health insurance	16,709	11,009	**27,718**
Audit and accounting	7,105	4,060	**11,165**
Supplies	884	1,169	**2,053**
Insurance	12,152	7,249	**19,401**
Legal	1,069	-	**1,069**
Telephone and postage	2,191	1,494	**3,685**
Utilities	4,597	771	**5,368**
Outside services	3,005	-	**3,005**
Miscellaneous	4,829	3,553	**8,382**
Engineering	9,379	10,219	**19,598**
IT service	5,034	3,269	**8,303**
Software maintenance	2,831	1,603	**4,434**
Total Administrative and General	92,377	65,948	**158,325**
Depreciation and Amortization	55,862	72,123	**127,985**
Total Operating Expenses	370,445	365,706	**736,151**
Operating Income (Loss)	40,018	23,999	**64,017**
Non-Operating Revenues (Expenses)			
Interest income	98	5,644	**5,742**
Sale of assets	-	-	**-**
Grant proceeds	-	-	**-**
Insurance proceeds	-	-	**-**
Total Non-Operating Revenues (Expenses)	98	5,644	**5,742**
Income (Loss) before contributions and transfers	40,116	29,643	**69,759**
Contributions	-	-	**-**
Transfers In (Out)	-	-	**-**
Change in Net Position	40,116	29,643	**69,759**
Net Position - beginning of year	4,369,665	2,699,783	**7,069,448**
Net Position - End of Year	$ 4,409,781	$ 2,729,426	**$ 7,139,207**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2019

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 363,824	$ 381,796	**$ 745,620**
Cash payments to employees	(53,903)	(52,100)	**(106,003)**
Cash payments to suppliers	(243,180)	(236,211)	**(479,391)**
Other non-operating revenues	10,430	8,187	**18,617**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	77,171	101,672	**178,843**
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	-	(8,796)	**(8,796)**
Proceeds from long-term debt	-	-	**-**
Capital contributions	-	-	**-**
Principal payments on long-term debt	-	-	**-**
Interest payments on long-term debt	-	-	**-**
Net Cash Flows From Capital and Related Financing Activities	-	(8,796)	**(8,796)**
Cash Flows From Investing Activities:			
Interest on investments	98	5,644	**5,742**
Net Cash Flows From Investing Activities	98	5,644	**5,742**
Net Increase (Decrease) in Cash and Cash Equivalents	77,269	98,520	**175,789**
Cash and Cash Equivalents - January 1	603,050	524,735	**1,127,785**
Cash and Cash Equivalents - December 31	$ 680,319	$ 623,255	**$ 1,303,574**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ 40,018	$ 23,999	**$ 64,017**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	55,862	72,123	**127,985**
Changes in assets and liabilities:			
Receivables	(36,209)	278	**(35,931)**
Prepaid expenses	(42)	(23)	**(65)**
Due from other funds	-	-	**-**
Payables and other accrued expenses	17,542	5,295	**22,837**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ 77,171	$ 101,672	**$ 178,843**

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 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 83, *Certain Asset Retirement Obligations.* This statement provides financial statement users with information about asset retirement obligations (AROs) that were not addressed in previous GASB Standards. The Town identified no AROs, therefore, for year ended December 31, 2019 implementation had no impact to the Town's financial statements.

GASB Statement No 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exits. The Town identified no fiduciary activities, therefore, for year ended December 31, 2019 implementation had no impact to the Town's financial statements

GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Town has no debt, therefore, for year ended December 31, 2019 implementation had no impact to the Town's financial statements.

GASB Statement No 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61.* This statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. The Town identified no majority equity interests, therefore, for year ended December 31, 2019 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 consist of Statement of Net Position and Statement of Activities, these statements report information about the reporting entity as a whole. These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The Town reports the following major **Governmental Funds**:

- **General Fund** is the general operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- The **Conservation Trust Fund** is a special revenue fund used to account for revenues derived primarily from intergovernmental revenues (Colorado Lottery) and earnings on investments. The use of these funds is legally restricted to the following activities: acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreation purposes on any public site (parks, trails, sports facilities, arenas or community centers).

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

- **Water Fund** is used to account for the water use fees and the expenses associated with providing water services to Town residents.
- **Sewer Fund** is used to account for the sewer use fees and the expenses associated with providing wastewater services to Town residents.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

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 2019:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 809,202	$ -	$ 809,202
Conservation Trust Fund	15,000	-	15,000
Proprietary Funds			
Water Fund	545,200	-	545,200
Sewer Fund	606,300	-	606,300
Total Funds	$ 1,975,702	$ -	$ 1,975,702

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 $8,559 at December 31, 2019. 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, 2019, 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)

Equity - Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Equity - Fund Balance

In the governmental funds, fund balances should be reported in classifications that comprise a hierarch based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, or unassigned. The following classifications describe the relative strength of spending constraints:

(1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
(2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions.
(3) ***Committed Fund Balance*** – the portion of fund balance that can only be use for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, Town Board. The constraint may be removed or changed only through form action of Town's Board through approval of resolutions.
(4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
(5) ***Unassigned Fund Balance*** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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 $28,597 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 526,104	$ 760,549	$ 1,286,653
Cash with county treasurer	8,127	-	8,127
Cash in savings	2,705	196	2,901
Investments:			
Money market account	151	-	151
Colotrust	429,908	542,829	972,737
Total	**$ 966,995**	**$ 1,303,574**	**$ 2,270,569**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 8,127	$ -	$ 8,127
Bank accounts	528,809	760,745	1,289,554
Investments	430,059	542,829	972,888
Total	**$ 966,995**	**$ 1,303,574**	**$ 2,270,569**

Cash Deposits

As of December 31, 2019, the carrying amount of the Town's deposits was $1,289,554.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk is the risk that, in the event of the failure of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate uninsured deposits.

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

As of December 31, 2019, the Town had the following investments:

	S&P	Investment Maturities in Years				
	Rating	Less than 1	1 to 5	6 to 10	More than 10	Total
Money market account		$ 151	$ -	$ -	$ -	$ 151
ColoTrust	AAAm	972,737	-	-	-	972,737
Total		**$ 972,888**	**$ -**	**$ -**	**$ -**	**$ 972,888**

The Town's policy is to hold investments until maturity and to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)
Investments (continued)
Concentration of Credit Risk is the risk of loss attributed to the magnitude of a Town's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution.

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 in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2019.

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.

Local Governmental Investment Pools, the Town had investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of two funds: COLOTRUST PRIME and COLOTRUST PLUS+. Prime invests only in U.S. Treasury and government agencies, while Plus invests in U.S. Treasury, government agencies and in the highest-rated commercial paper. Both investment pools are rated AAAm by S&P Global Ratings and operate similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Fair Value of Investments, the Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows:

Level 1: Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
Level 3: Unobservable inputs for an asset or liability.

The Town's investment in COLOTRUST is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. There is not an investment component to be valued under GASB Statement 72, *Fair Value Measurement and Application.*

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Income

Investment income, is reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Interest income	$ 5,519	$ 5,742	$ 11,261
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 5,519**	**$ 5,742**	**$ 11,261**

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

NOTE 4 – FUND BALANCE

The specific purpose for each fund balance classification on the balance sheet is detailed below:

Fund Balances	General Fund	Conservation Trust Fund	Total
Nonspendable:			
Prepaids	$ 542	$ -	$ 542
Restricted:			
Emergencies (TABOR Reserve)	28,597	-	28,597
Parks and recreation	-	61,222	61,222
Total	28,597	61,222	89,819
Commited:			
Subsequent years expenditures	365,005	5,350	370,355
Unassigned:			
General Government	526,913	-	526,913
Total Fund Balances	**$ 921,057**	**$ 66,572**	**$ 987,629**

NOTE 5 - 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, 2019, to be collected in the subsequent year, 2020 are accrued as a receivable as of December 31, 2019 and offset by a deferred revenue account.

The Town's property tax calendar for 2019 is as follows:

Lien Date	January 1, 2019
Levy Date	November 1, 2019
Tax bills mailed	January 1, 2020
First installment due	February 28, 2020
Second installment due	June 15, 2020
If paid in full, due	April 30, 2020
Tax sale – delinquent taxes	November 15, 2020

NOTE 6 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2019.

	Beg Balance	Additions	Retirements	End Balance
Short-Term Debt	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

NOTE 7 – CAPITAL ASSETS

The following is a summary of capital assets for the Governmental Activities as of December 31, 2019:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 221,878	$ -	$ -	$ 221,878
Depreciable Assets:				
Buildings and improvements	394,311	-	-	394,311
Machinery and equipment	286,938	3,600	-	290,538
Totals at Historical Cost	903,127	3,600	-	906,727
Less: Accumulated Depreciation for:				
Buildings and improvements	(184,070)	(18,191)	-	(202,261)
Machinery and equipment	(209,425)	(18,645)	-	(228,070)
Total Accumulated Depreciation	(393,495)	(36,836)	-	(430,331)
Capital Assets - Net	$ 509,632	$ (33,236)	$ -	$ 476,396

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 11,725
Public Safety	291
Culture and recreation	7,982
Highways and streets	16,838
Total Depreciation Expense - Governmental Activities	$ 36,836

NOTE 7 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2019:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 26,220	$ -	$ -	$ 26,220
Water rights	1,927,165	-	-	1,927,165
Depreciable Assets:				
Utility systems	5,482,345	8,796	-	5,491,141
Machinery and equipment	151,779	-	-	151,779
Construction in progress	-	-	-	-
Totals at Historical Cost	7,587,509	8,796	-	7,596,305
Less: Accumulated Depreciation for:				
Utility systems	(1,597,253)	(104,781)	-	(1,702,034)
Machinery and equipment	(98,600)	(23,204)	-	(121,804)
Total Accumulated Depreciation	(1,695,853)	(127,985)	-	(1,823,838)
Capital Assets - Net	$ 5,891,656	$ (119,189)	$ -	$ 5,772,467

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 55,862
Sewer fund	72,123
Total Depreciation Expense - Business-Type Activities	$ 127,985

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2019 is as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ -	$ -	$ 15,000	$ -
Conservation Trust Fund	-	-	-	15,000
Total Governmental Activities	-	-	15,000	15,000
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	$ -	$ -	$ 15,000	$ 15,000

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2019 that balance was $0. Transfers from Conservation Trust to General Fund are accounted for in accordance with budgetary authorizations.

NOTE 9 – CAPITAL LEASE OBLIGATIONS

The Town leases machinery and equipment under non-cancelable leases expiring at various dates through July 2022 which meet the criteria for capitalization. These capital leases are financed with General Fund resources.

The estimated value of the leased machinery and equipment at the inception of the leases net of accumulated depreciation amounted to $3,600. The related present value of the remaining obligations under the capital leases which amounts to $3,100, at December 31, 2019 and are included in the capital assets and long-term liabilities, accordingly.

Future required minimum obligations under capital leases are as follows:

Yead Ending December 31	Principal	Interest	Total
2020	$ 1,200	$ -	$ 1,200
2021	1,200	-	1,200
2022	700	-	700
2023	-	-	-
2024	-	-	-
Total	**$ 3,100**	**$ -**	**$ 3,100**

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, 2019, 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

In the opinion of the Town's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the Town's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2019.

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.

NOTE 12 – VALIC RETIREMENT PLAN (CONTINUED)

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($19,000 for the calendar year 2019). Catch-up contributions up to $6,000 for the calendar year 2019 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, 2019, the Town contributed $7,301.

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 and authorizes the benefits terms and authority to amend those terms.

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 $93,885 for 2019. 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 August 31, 2020, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic and then on March 13, 2020, President Trump declared a nationwide emergency pursuant to Sec. 501(b) of the Stafford Act. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the Town, the impact of COVID-19 could be a potential decline or reduction in general sales and specific ownership tax revenues in 2020. The financial impact is not reflected in the financial statements as of and for the year ended December 31, 2019 as these events occurred subsequent to year end. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Taxes:					
General property taxes	$ 103,468	$ 103,468	**$ 102,861**	$ (607)	$ 97,351
Delinquent property taxes	100	100	**-**	(100)	284
Specific ownership taxes	5,000	5,000	**6,952**	1,952	7,478
General sales and use taxes	145,000	145,000	**381,615**	236,615	213,610
Franchise taxes	30,000	30,000	**44,436**	14,436	38,869
Penalties and interest on delinquent taxes	200	200	**219**	19	429
Total Taxes	283,768	283,768	**536,083**	252,315	358,021
Licenses and Permits:					
Business	600	600	**650**	50	625
Non-business	20,000	20,000	**218,123**	198,123	21,764
Total Licenses and Permits	20,600	20,600	**218,773**	198,173	22,389
Intergovernmental Revenues:					
State Grants:					
Cigarette tax	800	800	**655**	(145)	549
Highway users tax	40,000	40,000	**54,565**	14,565	55,713
State Shared Revenues:					
Additional motor vehicle registration fees	8,000	8,000	**6,121**	(1,879)	5,891
Severance tax	25,000	25,000	**63,504**	38,504	31,157
Other Governmental Units:					
Weld County road and bridge funds	7,000	7,000	**8,134**	1,134	9,872
Total Intergovernmental Revenues	80,800	80,800	**132,979**	52,179	103,182
Charges for Services:					
Sanitation:					
Refuse collection charges	46,000	46,000	**46,654**	654	50,534
Health:					
Animal control	-	-	**-**	-	-
Drainage fee	3,400	3,400	**3,636**	236	-
Total Charges for Services	49,400	49,400	**50,290**	890	50,534
Fines and Forfeitures - Court Fines	12,000	12,000	**7,530**	(4,470)	16,837
Miscellaneous Revenues:					
Earnings on investments	2,500	2,500	**4,953**	2,453	4,489
Other income	4,000	4,000	**12,239**	8,239	5,435
Sale of assets	-	-	**-**	-	5,250
Insurance proceeds	-	-	**-**	-	-
Contributions	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	6,500	6,500	**17,192**	10,692	15,174
Total Revenues	$ 453,068	$ 453,068	**$ 962,847**	$ 509,779	$ 566,137

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
General Government:					
Legislative:					
Council fees	$ 10,000	$ 10,000	**$ 7,150**	$ 2,850	$ 8,875
Payroll taxes	800	800	**547**	253	924
Ordinances and proceedings	100	100	**-**	100	-
Miscellaneous	100	100	**-**	100	-
Workmen's compensation	-	-	**-**	-	-
Legal	-	-	**888**	(888)	-
Total Legislative	11,000	11,000	**8,585**	2,415	9,799
Judicial:					
Municipal judge	4,000	4,000	**2,238**	1,762	450
Miscellaneous	300	300	**633**	(333)	969
Total Judicial	4,300	4,300	**2,871**	1,429	1,419
Elections	1,800	1,800	**2,652**	(852)	-
Administration:					
Salaries	80,000	80,000	**67,099**	12,901	69,500
Payroll taxes	7,000	7,000	**6,299**	701	5,427
Retirement	3,000	3,000	**1,866**	1,134	1,956
Employee's health insurance	20,000	20,000	**20,508**	(508)	18,419
Audit and accounting	20,000	20,000	**9,135**	10,865	8,314
Treasurer's fees	1,000	1,000	**1,031**	(31)	981
Office supplies and printing	12,000	12,000	**6,360**	5,640	11,955
Insurance	20,000	20,000	**15,420**	4,580	14,879
Legal	10,000	10,000	**24,304**	(14,304)	26,673
Advertising and legal notices	4,000	4,000	**7,424**	(3,424)	3,019
Codification ordinances	500	500	**943**	(443)	-
Telephone and postage	5,500	5,500	**3,930**	1,570	4,821
Utilities	25,000	25,000	**9,302**	15,698	6,159
Travel and transportation	1,000	1,000	**836**	164	46
Miscellaneous	35,000	35,000	**10,740**	24,260	5,190
Engineering	20,000	20,000	**11,608**	8,392	8,205
Outside services	5,000	5,000	**3,939**	1,061	35,833
Repairs - Building	20,000	20,000	**1,669**	18,331	7,218
Repairs - Equipment	2,000	2,000	**102**	1,898	383
Fuel	-	-	**2,929**	(2,929)	1,841
IT service	10,000	10,000	**6,211**	3,789	7,672
Software maintenance	2,500	2,500	**3,607**	(1,107)	1,486
Capital outlay	5,000	5,000	**3,600**	1,400	9,680
Total Administration	308,500	308,500	**218,862**	89,638	249,657
Planning and Zoning:					
Miscellaneous	4,900	4,900	**-**	4,900	-
Total Planning and Zoning	4,900	4,900	**-**	4,900	-
Total General Government	330,500	330,500	**232,970**	97,530	260,875

(continued on next page)

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Public Safety: Police					
Police department contract	$ 130,000	$ 130,000	**$ 93,885**	$ 36,115	$ 90,959
Salaries	35,000	35,000	**18,835**	16,165	21,321
Payroll taxes	2,100	2,100	**1,496**	604	1,665
Retirement	1,200	1,200	**556**	644	617
Health insurance	1,452	1,452	**-**	1,452	121
Supplies	500	500	**188**	312	318
Insurance	5,500	5,500	**-**	5,500	-
Legal	200	200	**-**	200	60
Miscellaneous	2,000	2,000	**-**	2,000	752
Gas and oil	600	600	**-**	600	103
Capital outlay	200	200	**-**	200	-
Total Police	178,752	178,752	**114,960**	63,792	115,916
Building inspections	-	-	**77,303**	(77,303)	-
Total Public Safety	178,752	178,752	**192,263**	(13,511)	115,916
Public Works: Highways and Streets					
Salaries	60,000	60,000	**43,154**	16,846	51,215
Payroll taxes	6,000	6,000	**3,428**	2,572	4,001
Retirement	2,000	2,000	**1,159**	841	1,390
Employee's health insurance	3,000	3,000	**-**	3,000	1,164
Supplies	5,000	5,000	**4,256**	744	1,870
Legal	500	500	**225**	275	-
Insurance	3,000	3,000	**-**	3,000	-
Miscellaneous	5,000	5,000	**47**	4,953	1,080
Outside services	6,000	6,000	**6,124**	(124)	609
Repairs	3,000	3,000	**1,827**	1,173	587
Fuel	2,000	2,000	**-**	2,000	5,372
Street lighting	25,000	25,000	**16,243**	8,757	16,644
System maintenance	11,000	11,000	**-**	11,000	2,598
Capital outlay	5,000	5,000	**-**	5,000	-
Total Highways and Streets	136,500	136,500	**76,463**	60,037	86,530
Sanitation: Waste Collection	42,000	42,000	**40,617**	1,383	27,631
Total Public Works	178,500	178,500	**117,080**	61,420	114,161
Health and Welfare - Animal Control	600	600	**-**	600	-
Culture - Recreation: Parks					
Salaries	45,000	45,000	**30,267**	14,733	38,042
Payroll taxes	4,000	4,000	**2,405**	1,595	2,972
Retirement	1,350	1,350	**829**	521	1,050
Health insurance	6,000	6,000	**-**	6,000	1,164
Supplies	-	-	**2,856**	(2,856)	2,685
Insurance	2,500	2,500	**-**	2,500	-
Telephone and postage	-	-	**182**	(182)	57
Utilities	10,000	10,000	**8,900**	1,100	7,002
Miscellaneous	15,000	15,000	**1,500**	13,500	2,918
System maintenance	15,000	15,000	**7,293**	7,707	6,679
Fuel	2,000	2,000	**46**	1,954	-
Capital outlay	20,000	20,000	**-**	20,000	-
Total Culture - Recreation	120,850	120,850	**54,278**	66,572	62,569
Total Expenditures	$ 809,202	$ 809,202	**$ 596,591**	$ 212,611	$ 553,521

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Taxes	$ 283,768	$ 283,768	**$ 536,083**	$ 252,315	$ 358,021
Licenses and permits	20,600	20,600	**218,773**	198,173	22,389
Intergovernmental revenues	80,800	80,800	**132,979**	52,179	103,182
Charges for services	49,400	49,400	**50,290**	890	50,534
Fines and forfeitures	12,000	12,000	**7,530**	(4,470)	16,837
Miscellaneous revenues	6,500	6,500	**17,192**	10,692	15,174
Total Revenues	453,068	453,068	**962,847**	509,779	566,137
Transfers In:					
Conservation Trust Fund	15,000	15,000	**15,000**	-	8,000
Total Transfers In	15,000	15,000	**15,000**	-	8,000
Total Revenues and Transfers In	468,068	468,068	**977,847**	509,779	574,137
Expenditures:					
General government	330,500	330,500	**232,970**	97,530	260,875
Public safety	178,752	178,752	**192,263**	(13,511)	115,916
Public works	178,500	178,500	**117,080**	61,420	114,161
Health and welfare	600	600	**-**	600	-
Culture - recreation	120,850	120,850	**54,278**	66,572	62,569
Total Expenditures	809,202	809,202	**596,591**	212,611	553,521
Transfers Out:					
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers Out	809,202	809,202	**596,591**	212,611	553,521
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (341,134)	$ (341,134)	**381,256**	$ 722,390	$ 20,616
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**3,600**		
Depreciation expense			**(36,836)**		
Sale of assets			**-**		
Loan proceeds			**(3,600)**		
Compensated absences			**(6,004)**		
Capital lease obligation			**500**		
Change in Net Position			**$ 338,916**		

TOWN OF PIERCE, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 8,000	$ 8,000	**$ 12,991**	$ 4,991	$ 8,981
Total Intergovernmental Revenue	8,000	8,000	**12,991**	4,991	8,981
Charges for Services:					
Culture-Recreation:					
Park Fee	600	600	**-**	(600)	-
Miscellaneous Revenues:					
Earnings on investments	50	50	**566**	516	479
Other revenue	-	-	**-**	-	-
Total Revenues	8,650	8,650	**13,557**	4,907	9,460
Expenditures:					
General Government:					
Miscellaneous	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	15,000	15,000	**15,000**	-	8,000
Total Transfers Out	15,000	15,000	**15,000**	-	8,000
Total Expenditures and Transfers Out	15,000	15,000	**15,000**	-	8,000
Excess (Deficit) of Revenues Over Expenditures and Transfers Out	$ (6,350)	$ (6,350)	**(1,443)**	$ 4,907	$ 1,460
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		
Depreciation expense			**-**		
Change in Net Position			**$ (1,443)**		

OTHER SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 300,000	$ 300,000	**$ 337,803**	$ 37,803	$ 347,450
Water surcharges	-	-	**12,230**	12,230	1,891
Drainage fees	-	-	**-**	-	-
Tap fees	-	-	**50,000**	50,000	12,500
Total Operating Revenues	300,000	300,000	**400,033**	100,033	361,841
Non-Operating Revenues:					
Interest on investments	350	350	**98**	(252)	101
Transfer from other funds	-	-	**-**	-	-
Other revenue	11,000	11,000	**10,430**	(570)	15,316
Total Non-Operating Revenues	11,350	11,350	**10,528**	(822)	15,417
Miscellaneous Revenues:					
Contributions	-	-	**-**	-	66,000
Sale of assets	-	-	**-**	-	(3,496)
Grant proceeds	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	62,504
Total Revenues	$ 311,350	$ 311,350	**$ 410,561**	$ 99,211	$ 439,762

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 42,000	$ 42,000	**$ 33,670**	$ 8,330	$ 35,265
Payroll taxes	3,000	3,000	**2,675**	325	2,757
Retirement	1,100	1,100	**891**	209	937
Health insurance	3,100	3,100	**-**	3,100	761
Supplies	1,200	1,200	**4,915**	(3,715)	11,368
Insurance	6,000	6,000	**-**	6,000	-
Utilities	3,000	3,000	**3,698**	(698)	5,160
Miscellaneous	-	-	**288**	(288)	138
Engineering	10,000	10,000	**932**	9,068	186
Outside services	30,000	30,000	**28,480**	1,520	4,115
Repairs	-	-	**1,305**	(1,305)	-
Fuel	18,000	18,000	**230**	17,770	358
Water purchased	170,000	170,000	**127,516**	42,484	110,880
Water augmentation	3,000	3,000	**-**	3,000	-
Water assessments	22,000	22,000	**12,812**	9,188	13,519
Monitoring and testing	10,000	10,000	**2,331**	7,669	15,308
System maintenance	40,000	40,000	**2,463**	37,537	23,380
Total System Operation & Maintenance	362,400	362,400	**222,206**	140,194	224,132
Administrative & General:					
Salaries	35,000	35,000	**20,233**	14,767	23,708
Payroll taxes	3,000	3,000	**1,798**	1,202	1,850
Retirement	2,000	2,000	**561**	1,439	680
Health insurance	15,000	15,000	**16,709**	(1,709)	9,287
Audit and accounting	25,000	25,000	**7,105**	17,895	6,759
Supplies	3,000	3,000	**884**	2,116	531
Insurance	10,000	10,000	**12,152**	(2,152)	10,213
Legal	15,000	15,000	**1,069**	13,931	651
Advertising and legal notices	500	500	**-**	500	-
Codification ordinances	-	-	**733**	(733)	-
Telephone and postage	5,000	5,000	**2,191**	2,809	3,245
Utilities	15,000	15,000	**4,597**	10,403	3,915
Travel and transportation	300	300	**-**	300	-
Miscellaneous	20,000	20,000	**4,829**	15,171	4,105
Engineering	1,000	1,000	**9,379**	(8,379)	2,066
Outside services	-	-	**758**	(758)	-
Fuel	-	-	**1,514**	(1,514)	-
IT service	1,500	1,500	**5,034**	(3,534)	2,061
Software maintenance	1,500	1,500	**2,831**	(1,331)	1,156
Total Administrative & General	152,800	152,800	**92,377**	60,423	70,227
Total Operating Expenditures	515,200	515,200	**314,583**	200,617	294,359
Non-Operating Expenditures:					
Capital outlay	30,000	30,000	**-**	30,000	66,000
Total Non-Operating Expenditures	30,000	30,000	**-**	30,000	66,000
Total Expenditures	$ 545,200	$ 545,200	**$ 314,583**	$ 230,617	$ 360,359

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 300,000	$ 300,000	**$ 400,033**	$ 100,033	$ 361,841
Non-operating revenues	11,350	11,350	**10,528**	(822)	15,417
Miscellaneous revenues	-	-	**-**	-	62,504
Total Revenues	311,350	311,350	**410,561**	99,211	439,762
Expenditures:					
System operation & maintenance	362,400	362,400	**222,206**	140,194	224,132
Administrative & general	152,800	152,800	**92,377**	60,423	70,227
Capital outlay	30,000	30,000	**-**	30,000	66,000
Total Expenditures	545,200	545,200	**314,583**	230,617	360,359
Excess (Deficiency) of Revenues over Expenditures	$ (233,850)	$ (233,850)	**95,978**	$ 329,828	$ 79,403
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**-**		
Depreciation expense			**(55,862)**		
Change in Net Position			**$ 40,116**		

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 315,000	$ 315,000	**$ 368,768**	$ 53,768	$ 344,178
Tap Fees	4,500	4,500	**12,750**	8,250	-
Total Operating Revenues	319,500	319,500	**381,518**	62,018	344,178
Non-Operating Revenues:					
Interest on investments	2,500	2,500	**5,644**	3,144	4,293
Other revenue	-	-	**8,187**	8,187	11,804
Total Non-Operating Revenues	2,500	2,500	**13,831**	11,331	16,097
Miscellaneous Income:					
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	(736)
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	(736)
Total Revenues	$ 322,000	$ 322,000	**$ 395,349**	$ 73,349	$ 359,539

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	2018
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 38,000	$ 38,000	**$ 32,765**	$ 5,235	$ 35,265
Payroll taxes	3,000	3,000	**2,675**	325	2,757
Retirement	1,200	1,200	**891**	309	937
Health insurance	3,100	3,100	**-**	3,100	760
Supplies	15,000	15,000	**1,984**	13,016	7,450
Insurance	4,000	4,000	**-**	4,000	-
Legal	5,000	5,000	**-**	5,000	-
Telephone and postage	500	500	**-**	500	-
Utilities	15,000	15,000	**28,527**	(13,527)	16,415
Miscellaneous	1,000	1,000	**4,533**	(3,533)	437
Engineering	55,000	55,000	**1,618**	53,382	302
Outside services	30,000	30,000	**61,996**	(31,996)	18,287
Repairs	-	-	**390**	(390)	-
Fuel	45,000	45,000	**68**	44,932	205
Monitoring and testing	30,000	30,000	**45,155**	(15,155)	25,618
System maintenance	160,000	160,000	**47,033**	112,967	86,850
Total System Operation & Maintenance	405,800	405,800	**227,635**	178,165	195,283
Administrative & General:					
Salaries	35,000	35,000	**19,335**	15,665	23,278
Payroll taxes	3,000	3,000	**1,669**	1,331	1,817
Retirement	1,200	1,200	**548**	652	670
Health insurance	6,600	6,600	**11,009**	(4,409)	6,954
Audit and accounting	20,000	20,000	**4,060**	15,940	4,427
Supplies	2,000	2,000	**1,169**	831	858
Insurance	8,000	8,000	**7,249**	751	7,075
Legal	5,000	5,000	**-**	5,000	-
Advertising and legal notices	500	500	**-**	500	-
Codification ordinances	-	-	**419**	(419)	-
Telephone and postage	4,000	4,000	**1,494**	2,506	2,262
Utilities	25,000	25,000	**771**	24,229	10,639
Travel and transportation	1,000	1,000	**-**	1,000	-
Miscellaneous	15,000	15,000	**2,174**	12,826	1,364
Engineering	2,000	2,000	**10,219**	(8,219)	1,503
Outside services	20,000	20,000	**-**	20,000	-
Fuel	-	-	**960**	(960)	-
IT service	1,500	1,500	**3,269**	(1,769)	1,888
Software maintenance	700	700	**1,603**	(903)	661
Total Administrative & General	150,500	150,500	**65,948**	84,552	63,396
Total Operating Expenditures	556,300	556,300	**293,583**	262,717	258,679
Non-Operating Expenditures:					
Capital outlay	50,000	50,000	**8,796**	41,204	14,443
Total Non-Operating Expenditures	50,000	50,000	**8,796**	41,204	14,443
Total Expenditures	$ 606,300	$ 606,300	**$ 302,379**	$ 303,921	$ 273,122

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis
Budget to Actual - ***Sewer Fund***
Year Ended December 31, 2019
With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
	Budget			Variance - Favorable	**2018**
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 319,500	$ 319,500	**$ 381,518**	$ 62,018	$ 344,178
Non-operating revenues	2,500	2,500	**13,831**	11,331	16,097
Miscellaneous revenues	-	-	**-**	-	(736)
Total Revenues	322,000	322,000	**395,349**	73,349	359,539
Expenditures:					
System operations & maintenance	405,800	405,800	**227,635**	178,165	195,283
Administrative & general	150,500	150,500	**65,948**	84,552	63,396
Non-operating	50,000	50,000	**8,796**	41,204	14,443
Total Expenditures	606,300	606,300	**302,379**	303,921	273,122
Excess (Deficiency) of Revenues over Expenditures	$ (284,300)	$ (284,300)	**92,970**	$ 377,270	$ 86,417
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**8,796**		
Depreciation expense			**(72,123)**		
Change in Net Position			**$ 29,643**		

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: **TOWN OF PIERCE, COLORADO**
	YEAR ENDING : **December 2019**
This Information From The Records Of (example - City of _ or County of _) Prepared By: Phone:	**KRISTINA DURAN, TOWN CLERK** (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	(14,983)
3. Other local imposts (from page 2)	8,134
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	(6,849)
B. Private Contributions	
C. Receipts from State government (from page 2)	60,423
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	53,574

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	16,429
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	16,270
d. Total (a. through c.)	16,270
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	20,875
6. Total (1 through 5)	53,574
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)	53,574

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	53,574	53,574	0	0

Notes and Comments:

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: **Colorado** YEAR ENDING (mm/yy): **December 2019**

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	8,134	g. Other Misc. Receipts	0
6. Total (1. through 5.)	8,134	h. Other	0
c. Total (a. + b.)	8,134	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	54,302	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	6,121	d. Federal Transit Admin	0
d. Other (Specify)	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	6,121	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	60,423	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	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

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OTHER INFORMATION

Office of the State Auditor

Dianne E. Ray, CPA
State Auditor

Request for Extension of Time to File Audit

This request must be submitted no later than seven months following the fiscal year end. All requests submitted after the due date will not be considered.
Requests may be submitted via mail, fax, e-mail, or internet portal: https://apps.leg.co.gov/osa/lg.

Government Name:	TOWN OF PIERCE
Name of Contact:	KRISTIN DURAN, TOWN CLERK
Address:	PO BOX 57
City/Zip Code	PIERCE, CO 80650
Phone Number:	970-834-2851
Fax Number:	
E-mail	KDURAN@TOWNOFPIERCE.ORG
Fiscal Year Ending (mm/dd/yyyy):	12/31/2019
Amount of Time Requested (in days): (Not to exceed 60 calendar days)	60
Comments (optional):	

I understand that if the audit is not submitted within the approved extension of time the government named in the extension request will be considered in default without further notice, and the State Auditor shall take further action as prescribed by Section 29-1-606(5)(b), C.R.S.

Must be signed by a member of the governing board.

Signature	Nansi Crom
Printed Name:	NANSI CROM
Title:	MAYOR
Date:	6-17-20

We Set the Standard for Good Government