Annual Financial Report

Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2020

Tim Chavies & Associates, Inc.

Certified Public Accountants
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Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

TOWN OF PIERCE, COLORADO

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December 31, 2020

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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, the aggregate discretely presented component units, 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, 2020, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Pierce, State of Colorado, as of December 31, 2020, 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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
July 7, 2021

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

This section of Town of Pierce, State of Colorado's (Town) 2020 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2020. 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 $538,270 during 2020, compared to $407,232 in 2019. The increase was due to property and sales tax increase, licenses and permits increase, and tap fees received and water shares contributed to Town.

- The Town capitalized $377,933 of capital assets, and recorded depreciation of $159,630 during 2020. In 2019 the Town capitalized $12,396 and recorded depreciation of $152,425.

- Total revenues for the governmental funds were $735,131 in 2020 compared to $976,404 in 2019, a decrease of $241,273 or 24.71%. Total expenditures were $582,066 in 2020 compared to $596,591 in 2019, a decrease of $14,525 or 2.43%.

- Total operating revenues for the proprietary funds were $792,412 in 2020 compared to $800,168 in 2019, a decrease of $7,756 or 0.97%. Total operating expenditures were $772,120 in 2020 compared to $736,151 in 2019, an increase of $35,969 or 4.89%.

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, 2020:

	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 1,528,205	$ 1,570,307	$ 3,098,512
Capital assets, net	445,926	6,021,240	6,467,166
Total Assets	**1,974,131**	**7,591,547**	**9,565,678**
Total Deferred Outflows	**-**	**-**	**-**
Current liabilities	32,788	55,666	88,454
Noncurrent liabilities	8,231	-	8,231
Total Liabilities	**41,019**	**55,666**	**96,685**
Unearned revenues - property taxes	339,150	-	339,150
Total Deferred Inflows	**339,150**	**-**	**339,150**
Net investment in capital assets	444,026	6,021,240	6,465,266
Restricted for Tabor	21,850	-	21,850
Restricted for parks & recreation	66,578	-	66,578
Unrestricted	1,061,508	1,514,641	2,576,149
Total Net Position	**$ 1,593,962**	**$ 7,535,881**	**$ 9,129,843**

The restricted portion of net position ($88,428) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2,576,149) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2020:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 69,229	$ 774,321	$ 843,550
Capital contributions	-	374,000	374,000
General Revenues:			
Taxes	509,038	-	509,038
Licenses and permits	34,985	-	34,985
Intergovermental revenues	106,285	-	106,285
Fines and forfeitures	1,250	-	1,250
Earnings on investment	2,049	2,382	4,431
Other	27,868	18,091	45,959
Total Revenues	**750,704**	**1,168,794**	**1,919,498**
Expenses:			
General government	266,555	-	266,555
Public safety	129,229	-	129,229
Public works	144,787	-	144,787
Health and welfare	-	-	-
Culture - recreation	68,537	-	68,537
Other	-	-	-
Water	-	410,968	410,968
Sewer	-	361,152	361,152
Total Expenses	**609,108**	**772,120**	**1,381,228**
Change in Net Position	**141,596**	**396,674**	**538,270**
Net Position - beginning	1,452,366	7,139,207	8,591,573
Net Position - ending	**$ 1,593,962**	**$ 7,535,881**	**$ 9,129,843**

Net position increased to $9,129,843, an increase of $538,270 from 2020. The increase due to property and sales tax increases, license and permit increases, water share contributions, along with capital outlay of $377,933, less depreciation expense of $159,630 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, 2020, the Town's governmental funds reported combined ending fund balances of $1,156,267 an increase of $168,638 in comparison with 2019. Approximately 70.89% of this total amount ($819,703) 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	-	2,301,165	2,301,165
Utility systems	-	5,491,141	5,491,141
Buildings and improvements	394,311	-	394,311
Machinery and equipment	294,471	151,779	446,250
Total Capital Assets	**910,660**	**7,970,305**	**8,880,965**
Less: Accumulated depreciation	(464,734)	(1,949,065)	(2,413,799)
Net Capital Assets	**$ 445,926**	**$ 6,021,240**	**$ 6,467,166**

Capital assets – net of depreciation increased $218,303 during 2020 due to capital outlay (assets acquired) less depreciation (See Note 7 for further discussion).

DEBT ADMINISTRATION

The Town is debt free.

ECONOMIC FACTORS
Covid -19 made its first appearance in 2020. Town Hall was closed to in person customers for several months.

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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 688,407	$ 964,544	$ 1,652,951
Cash with county treasurer	3,360	-	3,360
Cash in savings	-	-	-
Total Cash	691,767	964,544	1,656,311
Money market account	-	-	-
Colotrust	446,286	545,507	991,793
Total Investments	446,286	545,507	991,793
Accounts receivable	50,366	59,479	109,845
Accrued interest receivable	-	-	-
Property taxes receivable	339,150	-	339,150
Prepaid expenses	636	777	1,413
Internal balances	-	-	-
Total Current Assets	1,528,205	1,570,307	3,098,512
Capital Assets:			
Land	221,878	26,220	248,098
Water rights	-	2,301,165	2,301,165
Utility systems	-	5,491,141	5,491,141
Buildings and improvements	394,311	-	394,311
Machinery and equipment	294,471	151,779	446,250
Total Capital Assets	910,660	7,970,305	8,880,965
Less: accumulated depreciation	(464,734)	(1,949,065)	(2,413,799)
Net Capital Assets	445,926	6,021,240	6,467,166
Total Assets	1,974,131	7,591,547	9,565,678
LIABILITIES			
Current Liabilities:			
Accounts payable	30,080	43,727	73,807
Payroll taxes payable	2,308	2,821	5,129
Accrued interest payable	-	-	-
Deposits	400	9,118	9,518
Total Current Liabilities	32,788	55,666	88,454
Noncurrent Liabilities:			
Compensated absences	6,331	-	6,331
Capital lease obligations	1,900	-	1,900
Total Noncurrent Liabilities	8,231	-	8,231
Total Liabilities	41,019	55,666	96,685
DEFERRED INFLOWS			
Unearned revenue - property taxes	339,150	-	339,150
NET POSITION			
Net investment in capital assets	444,026	6,021,240	6,465,266
Restricted for tabor	21,850	-	21,850
Restricted for parks and recreation	66,578	-	66,578
Unrestricted	1,061,508	1,514,641	2,576,149
Total Net Position	$ 1,593,962	$ 7,535,881	$ 9,129,843

TOWN OF PIERCE, COLORADO

Statement of Activities

Government-Wide

December 31, 2020

		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	$ (266,555)	$ -	$ -	$ (266,555)	$ -	**$ (266,555)**
Public safety	(129,229)	-	-	(129,229)	-	**(129,229)**
Public works	(144,787)	66,449	-	(78,338)	-	**(78,338)**
Health and welfare	-	-	-	-	-	**-**
Culture - recreation	(68,537)	2,780	-	(65,757)	-	**(65,757)**
Total Governmental Activities	(609,108)	69,229	-	(539,879)	-	**(539,879)**
Business-Type Activities:						
Water fund	(410,968)	396,725	374,000	-	359,757	**359,757**
Sewer fund	(361,152)	377,596	-	-	16,444	**16,444**
Total Business-Type Activities	(772,120)	774,321	374,000	-	376,201	**376,201**
Total Primary Government	$ (1,381,228)	$ 843,550	$ 374,000	(539,879)	376,201	**(163,678)**
General Revenues:						
Taxes				509,038	-	**509,038**
Licenses and permits				34,985	-	**34,985**
Intergovernmental revenue				106,285	-	**106,285**
Fines and forfeitures				1,250	-	**1,250**
Miscellaneous income				12,295	18,091	**30,386**
Sale of assets				-	-	**-**
Grants				-	-	**-**
Insurance proceeds				-	-	**-**
Interest income				2,049	2,382	**4,431**
Transfers				-	-	**-**
Contributions				15,573	-	**15,573**
Total General Revenues				681,475	20,473	**701,948**
Change in Net Position				141,596	396,674	**538,270**
Net Position-beginning of year				1,452,366	7,139,207	**8,591,573**
Net Position-end of year				$ 1,593,962	$ 7,535,881	**$ 9,129,843**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2020

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 688,407	$ -	$ 688,407
Cash with county treasurer	3,360	-	3,360
Cash in savings	-	-	-
Total Cash	691,767	-	691,767
Money market account	-	-	-
Colotrust	367,788	78,498	446,286
Total Investments	367,788	78,498	446,286
Accounts receivable	50,366	-	50,366
Accrued interest receivable	-	-	-
Property taxes receivable	339,150	-	339,150
Prepaid expenses	636	-	636
Due from other funds	11,920	-	11,920
Total Current Assets	1,461,627	78,498	1,540,125
Total Assets	$ 1,461,627	$ 78,498	$ 1,540,125
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 30,080	$ -	$ 30,080
Payroll taxes payable	2,308	-	2,308
Deposits	400	-	400
Due to other funds	-	11,920	11,920
Total Current Liabilities	32,788	11,920	44,708
Total Liabilities	32,788	11,920	44,708
DEFERRED INFLOWS			
Unearned revenue - property taxes	339,150	-	339,150
Total Liabilities & Deferred Inflows	371,938	11,920	383,858
FUND BALANCE			
Non-spendable - prepaids	636	-	636
Restricted:			
Tabor	21,850	-	21,850
Parks and recreation	-	60,853	60,853
Committed - subsequent year's expenditures	247,500	5,725	253,225
Assigned	-	-	-
Unassigned	819,703	-	819,703
Total Fund Balance	1,089,689	66,578	1,156,267
Total Liabilities, Deferred Inflows & Fund Balance	$ 1,461,627	$ 78,498	$ 1,540,125

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance		$ 1,156,267
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	910,660	
Less: accumulated depreciation	(464,734)	
		445,926
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		(6,331)
Capital lease obligations		(1,900)
Net Position of Governmental Activities		$ 1,593,962

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, 2020

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 509,038	$ -	$ 509,038
Licenses and permits	34,985	-	34,985
Intergovernmental revenue	94,347	11,938	106,285
Charges for services	66,449	2,780	69,229
Fines and forfeitures	1,250	-	1,250
Miscellaneous revenues	14,056	288	14,344
Total Revenues	720,125	15,006	735,131
Expenditures:			
General government	263,094	-	263,094
Public safety	128,938	-	128,938
Public works	128,435	-	128,435
Health and welfare	-	-	-
Culture - recreation	61,599	-	61,599
Total Expenditures	582,066	-	582,066
Excess (Deficiency) of Revenues over Expenditures	138,059	15,006	153,065
Other Financing Sources (Uses):			
Sale of assets	-	-	-
Contributions	15,573	-	15,573
Insurance proceeds	-	-	-
Transfers in	15,000	-	15,000
Transfers out	-	(15,000)	(15,000)
Total Other Financing Sources (Uses)	30,573	(15,000)	15,573
Net Change in Fund Balance	168,632	6	168,638
Fund Balance - beginning of year	921,057	66,572	987,629
Fund Balance - End of Year	$ 1,089,689	$ 66,578	$ 1,156,267

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

Net Change in Fund Balance - Total Governmental Funds	$ 168,638
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	3,933
Depreciation expense	(34,403)
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	-
Capital lease payments	1,200
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	2,228
Change in Net Position of Governmental Activities	$ 141,596

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash on hand and in checking	$ 771,245	$ 193,299	$ **964,544**
Cash in savings	-	-	**-**
Total Cash	771,245	193,299	**964,544**
Money market account	-	-	**-**
Colotrust	12,136	533,371	**545,507**
Total Investments	12,136	533,371	**545,507**
Accounts receivable	59,479	-	**59,479**
Accrued interest receivable	-	-	**-**
Prepaid expenses	495	282	**777**
Due from other funds	-	-	**-**
Total Current Assets	843,355	726,952	**1,570,307**
Capital Assets:			
Land	2,273	23,947	**26,220**
Water rights	2,301,165	-	**2,301,165**
Utility systems	2,621,110	2,870,031	**5,491,141**
Machinery and equipment	46,986	104,793	**151,779**
Total Capital Assets	4,971,534	2,998,771	**7,970,305**
Less: Accumulated depreciation	(1,000,566)	(948,499)	**(1,949,065)**
Net Capital Assets	3,970,968	2,050,272	**6,021,240**
Total Assets	4,814,323	2,777,224	**7,591,547**
LIABILITIES			
Current Liabilities:			
Accounts payable	24,255	19,472	**43,727**
Payroll taxes payable	1,795	1,026	**2,821**
Accrued interest payable	-	-	**-**
Deposits	9,118	-	**9,118**
Due to other funds	-	-	**-**
Total Current Liabilities	35,168	20,498	**55,666**
Total Liabilities	35,168	20,498	**55,666**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	35,168	20,498	**55,666**
NET POSITION			
Net investment in capital assets	3,970,968	2,050,272	**6,021,240**
Restricted	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	153,450	60,850	**214,300**
Undesignated	654,737	645,604	**1,300,341**
Total Net Position	$ 4,779,155	$ 2,756,726	$ **7,535,881**

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, 2020

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 396,725	$ 377,596	$ 774,321
Other revenue	9,564	8,527	18,091
Total Operating Revenues	406,289	386,123	792,412
Operating Expenses:			
System Operation and Maintenance:			
Salaries	35,543	35,543	71,086
Payroll taxes	2,824	2,824	5,648
Retirement	1,066	1,066	2,132
Supplies	8,180	7,434	15,614
Insurance	8,837	5,050	13,887
Utilities	11,388	21,310	32,698
Miscellaneous	497	375	872
Engineering	5,032	4,188	9,220
Outside services	44,603	11,835	56,438
Fuel	784	511	1,295
Water purchased	140,738	-	140,738
Water assessments	14,151	-	14,151
Monitoring and testing	1,087	39,793	40,880
System maintenance	5,026	105,453	110,479
Total System Operation and Maintenance	279,756	235,382	515,138
Administrative and General:			
Salaries	22,194	21,782	43,976
Payroll taxes	1,764	1,731	3,495
Retirement	676	663	1,339
Health insurance	16,348	9,191	25,539
Audit and accounting	7,324	4,187	11,511
Supplies	1,411	727	2,138
Insurance	2,795	1,597	4,392
Legal	1,102	-	1,102
Advertising and legal notices	500	292	792
Telephone and postage	2,119	1,240	3,359
Utilities	2,214	121	2,335
Travel and transportation	304	-	304
Miscellaneous	2,657	4,324	6,981
Engineering	4,689	4,010	8,699
Outside services	2,007	15	2,022
Fuel	444	262	706
IT service	6,771	3,871	10,642
Software maintenance	1,642	781	2,423
Total Administrative and General	76,961	54,794	131,755
Depreciation and Amortization	54,251	70,976	125,227
Total Operating Expenses	410,968	361,152	772,120
Operating Income (Loss)	(4,679)	24,971	20,292
Non-Operating Revenues (Expenses)			
Interest income	53	2,329	2,382
Sale of assets	-	-	-
Grant proceeds	-	-	-
Insurance proceeds	-	-	-
Total Non-Operating Revenues (Expenses)	53	2,329	2,382
Income (Loss) before contributions and transfers	(4,626)	27,300	22,674
Contributions	374,000	-	374,000
Transfers In (Out)	-	-	-
Change in Net Position	369,374	27,300	396,674
Net Position - beginning of year	4,409,781	2,729,426	7,139,207
Net Position - End of Year	$ 4,779,155	$ 2,756,726	$ 7,535,881

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2020

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 448,208	$ 377,596	$ 825,804
Cash payments to employees	(57,737)	(57,325)	(115,062)
Cash payments to suppliers	(297,025)	(227,711)	(524,736)
Other non-operating revenues	9,564	8,527	18,091
Internal activity - payments to other funds	-	-	-
Net Cash Flows From Operating Activities	103,010	101,087	204,097
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	(374,000)	-	(374,000)
Proceeds from long-term debt	-	-	-
Capital contributions	374,000	-	374,000
Principal payments on long-term debt	-	-	-
Interest payments on long-term debt	-	-	-
Net Cash Flows From Capital and Related Financing Activities	-	-	-
Cash Flows From Investing Activities:			
Interest on investments	53	2,329	2,382
Net Cash Flows From Investing Activities	53	2,329	2,382
Net Increase (Decrease) in Cash and Cash Equivalents	103,063	103,416	206,479
Cash and Cash Equivalents - January 1	680,318	623,254	1,303,572
Cash and Cash Equivalents - December 31	$ 783,381	$ 726,670	$ 1,510,051
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (4,679)	$ 24,971	$ 20,292
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	54,251	70,976	125,227
Changes in assets and liabilities:			
Receivables	51,483	-	51,483
Prepaid expenses	(74)	(42)	(116)
Due from other funds	-	-	-
Payables and other accrued expenses	2,029	5,182	7,211
Due to other funds	-	-	-
Net Cash Flows From Operating Activities	$ 103,010	$ 101,087	$ 204,097

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 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Implementation had no impact on the Town's financial statements.

The following Accounting Pronouncements were early implemented in the prior year:

GASB Statement No 83, *Certain Asset Retirement Obligations.*
GASB Statement No 84, *Fiduciary Activities.*
GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*
GASB Statement No 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No.61.*

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

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.

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 2020:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Budgets and Budgetary Accounting (continued)

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 853,150	$ -	$ 853,150
Conservation Trust Fund	15,000	-	15,000
Proprietary Funds			
Water Fund	587,700	-	587,700
Sewer Fund	685,100	-	685,100
Total Funds	$ 2,140,950	$ -	$ 2,140,950

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

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

The Town incurred expenditures in excess of appropriations in the Water Fund for the year ended December 31, 2020, which may be in violation of the Local Government Budget Law.

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 $6,331 at December 31, 2020. There is no accrual in the fund financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2020, 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity - Fund Balance

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy 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, the Town Board. The constraint may be removed or changed only through form action of the 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.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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 $21,850 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	$ 688,407	$ 964,544	$ 1,652,951
Cash with county treasurer	3,360	-	3,360
Cash in savings	-	-	-
Investments:			
Money market account	-	-	-
Colotrust	446,286	545,507	991,793
Total	**$ 1,138,053**	**$ 1,510,051**	**$ 2,648,104**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 3,560	$ 200	$ 3,760
Bank accounts	688,207	964,344	1,652,551
Investments	446,286	545,507	991,793
Total	**$ 1,138,053**	**$ 1,510,051**	**$ 2,648,104**

Cash Deposits

As of December 31, 2020, the carrying amount of the Town's deposits was $1,652,551.

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, 2020, 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		$ -	$ -	$ -	$ -	$ -
ColoTrust	AAAm	991,793	-	-	-	991,793
Total		**$ 991,793**	**$ -**	**$ -**	**$ -**	**$ 991,793**

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, 2020.

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	$ 2,049	$ 2,382	$ 4,431
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 2,049**	**$ 2,382**	**$ 4,431**

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next. This figure will vary year to year depending on the fair market value of the investments at year end and is not a budgetary item.

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	$ 636	$ -	$ 636
Restricted:			
Emergencies (TABOR Reserve)	21,850	-	21,850
Parks and recreation	-	60,853	60,853
Total	21,850	60,853	82,703
Commited:			
Subsequent years expenditures	247,500	5,725	253,225
Unassigned:			
General Government	819,703	-	819,703
Total Fund Balances	**$ 1,089,689**	**$ 66,578**	**$ 1,156,267**

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, 2020, to be collected in the subsequent year, 2021 are accrued as a receivable as of December 31, 2020 and offset by a deferred revenue account.

The Town's property tax calendar for 2020 is as follows:

Lien Date	January 1, 2020
Levy Date	November 1, 2020
Tax bills mailed	January 1, 2021
First installment due	February 28, 2021
Second installment due	June 15, 2021
If paid in full, due	April 30, 2021
Tax sale – delinquent taxes	November 15, 2021

NOTE 6 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2020.

	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, 2020:

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	290,538	3,933	-	294,471
Totals at Historical Cost	906,727	3,933	-	910,660
Less: Accumulated Depreciation for:				
Buildings and improvements	(202,261)	(17,418)	-	(219,679)
Machinery and equipment	(228,070)	(16,985)	-	(245,055)
Total Accumulated Depreciation	(430,331)	(34,403)	-	(464,734)
Capital Assets - Net	$ 476,396	$ (30,470)	$ -	$ 445,926

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 10,822
Public Safety	291
Culture and recreation	6,938
Highways and streets	16,352
Total Depreciation Expense - Governmental Activities	$ 34,403

NOTE 7 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2020:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Non-Depreciable Assets:				
Land	$ 26,220	$ -	$ -	$ 26,220
Water rights	1,927,165	374,000	-	2,301,165
Depreciable Assets:				
Utility systems	5,491,141	-	-	5,491,141
Machinery and equipment	151,779	-	-	151,779
Construction in progress	-	-	-	-
Totals at Historical Cost	7,596,305	374,000	-	7,970,305
Less: Accumulated Depreciation for:				
Utility systems	(1,702,034)	(105,834)	-	(1,807,868)
Machinery and equipment	(121,804)	(19,393)	-	(141,197)
Total Accumulated Depreciation	(1,823,838)	(125,227)	-	(1,949,065)
Capital Assets - Net	$ 5,772,467	$ 248,773	$ -	$ 6,021,240

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 54,251
Sewer fund	70,976
Total Depreciation Expense - Business-Type Activities	$ 125,227

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2020 is as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ 11,920	$ -	$ 15,000	$ -
Conservation Trust Fund	-	11,920	-	15,000
Total Governmental Activities	11,920	11,920	15,000	15,000
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	$ 11,920	$ 11,920	$ 15,000	$ 15,000

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2020 that balance was $11,920. 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 $1,900, at December 31, 2020 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
2021	$ 1,200	$ -	$ 1,200
2022	700	-	700
2023	-	-	-
2024	-	-	-
2025	-	-	-
Total	**$ 1,900**	**$ -**	**$ 1,900**

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, 2020, 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, 2020.

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 2020). Catch-up contributions up to $6,000 for the calendar year 2020 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, 2020, the Town contributed $8,644.

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 $96,484 for 2020. 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 July 7, 2021, 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.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Taxes:					
General property taxes	$ 112,901	$ 112,901	**$ 112,568**	$ (333)	$ 102,861
Delinquent property taxes	100	100	**-**	(100)	-
Specific ownership taxes	5,000	5,000	**5,359**	359	6,952
General sales and use taxes	145,000	145,000	**349,805**	204,805	381,615
Franchise taxes	35,000	35,000	**41,119**	6,119	44,436
Penalties and interest on delinquent taxes	200	200	**187**	(13)	219
Total Taxes	298,201	298,201	**509,038**	210,837	536,083
Licenses and Permits:					
Business	600	600	**(700)**	(1,300)	650
Non-business	20,600	20,600	**35,685**	15,085	218,123
Total Licenses and Permits	21,200	21,200	**34,985**	13,785	218,773
Intergovernmental Revenues:					
State Grants:					
Cigarette tax	500	500	**1,158**	658	655
Highway users tax	44,744	44,744	**41,566**	(3,178)	54,565
State Shared Revenues:					
Additional motor vehicle registration fees	7,000	7,000	**6,155**	(845)	6,121
Severance tax	25,000	25,000	**39,266**	14,266	63,504
Other Governmental Units:					
Weld County road and bridge funds	8,000	8,000	**6,202**	(1,798)	8,134
Total Intergovernmental Revenues	85,244	85,244	**94,347**	9,103	132,979
Charges for Services:					
Sanitation:					
Refuse collection charges	50,000	50,000	**52,115**	2,115	46,654
Health:					
Animal control	-	-	**-**	-	-
Drainage fee	1,500	1,500	**11,599**	10,099	3,636
Road impact fee	-	-	**2,735**	2,735	-
Total Charges for Services	51,500	51,500	**66,449**	14,949	50,290
Fines and Forfeitures - Court Fines	10,000	10,000	**1,250**	(8,750)	7,530
Miscellaneous Revenues:					
Earnings on investments	3,000	3,000	**1,761**	(1,239)	4,953
Other income	4,000	4,000	**12,295**	8,295	12,239
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Contributions	-	-	**15,573**	15,573	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	7,000	7,000	**29,629**	22,629	17,192
Total Revenues	$ 473,145	$ 473,145	**$ 735,698**	$ 262,553	$ 962,847

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
General Government:					
Legislative:					
Council fees	$ 10,000	$ 10,000	$ **7,450**	$ 2,550	$ 7,150
Payroll taxes	1,000	1,000	**570**	430	547
Miscellaneous	100	100	**60**	40	-
Legal	1,500	1,500	**5,937**	(4,437)	888
Advertising and legal notices	100	100	**109**	(9)	-
Ordinances and proceedings	100	100	**-**	100	-
Total Legislative	12,800	12,800	**14,126**	(1,326)	8,585
Judicial:					
Municipal judge	1,000	1,000	**1,170**	(170)	2,238
Supplies	600	600	**98**	502	633
Miscellaneous	100	100	**-**	100	-
Outside services	3,000	3,000	**225**	2,775	-
Total Judicial	4,700	4,700	**1,493**	3,207	2,871
Elections	4,500	4,500	**2,355**	2,145	2,652
Administration:					
Salaries	80,000	80,000	**78,671**	1,329	67,099
Payroll taxes	7,000	7,000	**6,252**	748	6,299
Retirement	3,000	3,000	**2,416**	584	1,866
Employee's health insurance	32,000	32,000	**16,345**	15,655	20,508
Audit and accounting	20,000	20,000	**9,414**	10,586	9,135
Treasurer's fees	1,000	1,000	**1,128**	(128)	1,031
Supplies	12,000	12,000	**17,942**	(5,942)	6,360
Insurance	20,000	20,000	**14,956**	5,044	15,420
Legal	15,000	15,000	**16,226**	(1,226)	24,304
Advertising and legal notices	8,000	8,000	**3,932**	4,068	7,424
Codification ordinances	1,000	1,000	**835**	165	943
Telephone and postage	5,500	5,500	**6,964**	(1,464)	3,930
Utilities	25,000	25,000	**6,814**	18,186	9,302
Travel and transportation	2,000	2,000	**-**	2,000	836
Miscellaneous	35,000	35,000	**19,725**	15,275	10,740
Engineering	20,000	20,000	**10,446**	9,554	11,608
Outside services	10,000	10,000	**1,568**	8,432	3,939
Repairs	22,000	22,000	**10,264**	11,736	1,771
Fuel	2,500	2,500	**1,623**	877	2,929
IT service	10,000	10,000	**8,841**	1,159	6,211
Software maintenance	2,500	2,500	**2,682**	(182)	3,607
Capital outlay	5,000	5,000	**3,933**	1,067	3,600
Total Administration	338,500	338,500	**240,977**	97,523	218,862
Planning and Zoning:					
Miscellaneous	5,400	5,400	**4,143**	1,257	-
Total Planning and Zoning	5,400	5,400	**4,143**	1,257	-
Total General Government	365,900	365,900	**263,094**	102,806	232,970

(continued on next page)

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Public Safety: Police					
Police department contract	$ 140,000	$ 140,000	**$ 96,484**	$ 43,516	$ 93,885
Salaries	35,000	35,000	**20,617**	14,383	18,835
Payroll taxes	2,100	2,100	**1,638**	462	1,496
Retirement	1,200	1,200	**620**	580	556
Supplies	-	-	**99**	(99)	188
Insurance	-	-	**-**	-	-
Legal	-	-	**-**	-	-
Miscellaneous	-	-	**1,594**	(1,594)	-
Gas and oil	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	-
Total Police	178,300	178,300	**121,052**	57,248	114,960
Building inspections	-	-	**7,886**	(7,886)	77,303
Total Public Safety	178,300	178,300	**128,938**	49,362	192,263
Public Works: Highways and Streets					
Salaries	60,000	60,000	**44,044**	15,956	43,154
Payroll taxes	6,000	6,000	**3,499**	2,501	3,428
Retirement	2,000	2,000	**1,256**	744	1,159
Supplies	5,000	5,000	**1,333**	3,667	4,256
Legal	500	500	**461**	39	225
Insurance	3,000	3,000	**-**	3,000	-
Miscellaneous	5,000	5,000	**3,208**	1,792	47
Outside services	5,000	5,000	**70**	4,930	6,124
Repairs	3,000	3,000	**489**	2,511	1,827
Fuel	2,000	2,000	**-**	2,000	-
Street lighting	25,000	25,000	**17,685**	7,315	16,243
System maintenance	14,000	14,000	**7,845**	6,155	-
Capital outlay	5,000	5,000	**-**	5,000	-
Total Highways and Streets	135,500	135,500	**79,890**	55,610	76,463
Sanitation: Waste Collection	45,000	45,000	**48,545**	(3,545)	40,617
Total Public Works	180,500	180,500	**128,435**	52,065	117,080
Health and Welfare - Animal Control	600	600	**-**	600	-
Culture - Recreation: Parks					
Salaries	45,000	45,000	**30,486**	14,514	30,267
Payroll taxes	4,000	4,000	**2,422**	1,578	2,405
Retirement	1,350	1,350	**881**	469	829
Supplies	3,000	3,000	**4,016**	(1,016)	2,856
Insurance	2,500	2,500	**-**	2,500	-
Telephone and postage	-	-	**699**	(699)	182
Utilities	15,000	15,000	**4,112**	10,888	8,900
Miscellaneous	15,000	15,000	**541**	14,459	1,500
Outside services	5,000	5,000	**5,621**	(621)	-
Fuel	2,000	2,000	**67**	1,933	46
System maintenance	15,000	15,000	**12,754**	2,246	7,293
Capital outlay	20,000	20,000	**-**	20,000	-
Total Culture - Recreation	127,850	127,850	**61,599**	66,251	54,278
Total Expenditures	$ 853,150	$ 853,150	**$ 582,066**	$ 271,084	$ 596,591

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	**Actual**
Revenues:					
Taxes	$ 298,201	$ 298,201	$ **509,038**	$ 210,837	$ 536,083
Licenses and permits	21,200	21,200	**34,985**	13,785	218,773
Intergovernmental revenues	85,244	85,244	**94,347**	9,103	132,979
Charges for services	51,500	51,500	**66,449**	14,949	50,290
Fines and forfeitures	10,000	10,000	**1,250**	(8,750)	7,530
Miscellaneous revenues	7,000	7,000	**29,629**	22,629	17,192
Total Revenues	473,145	473,145	**735,698**	262,553	962,847
Transfers In:					
Conservation Trust Fund	15,000	15,000	**15,000**	-	15,000
Total Transfers In	15,000	15,000	**15,000**	-	15,000
Total Revenues and Transfers In	488,145	488,145	**750,698**	262,553	977,847
Expenditures:					
General government	365,900	365,900	**263,094**	102,806	232,970
Public safety	178,300	178,300	**128,938**	49,362	192,263
Public works	180,500	180,500	**128,435**	52,065	117,080
Health and welfare	600	600	**-**	600	-
Culture - recreation	127,850	127,850	**61,599**	66,251	54,278
Total Expenditures	853,150	853,150	**582,066**	271,084	596,591
Transfers Out:					
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers Out	853,150	853,150	**582,066**	271,084	596,591
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (365,005)	$ (365,005)	**168,632**	$ 533,637	$ 381,256
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**3,933**		
Depreciation expense			**(34,403)**		
Sale of assets			**-**		
Loan proceeds			**-**		
Compensated absences			**2,228**		
Capital lease obligation			**1,200**		
Change in Net Position			$ **141,590**		

TOWN OF PIERCE, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 9,000	$ 8,000	**$ 11,938**	$ 3,938	$ 12,991
Total Intergovernmental Revenue	9,000	8,000	**11,938**	3,938	12,991
Charges for Services:					
Culture-Recreation:					
Park Fee	600	600	**2,780**	2,180	-
Miscellaneous Revenues:					
Earnings on investments	50	50	**288**	238	566
Other revenue	-	-	**-**	-	-
Total Revenues	9,650	8,650	**15,006**	6,356	13,557
Expenditures:					
General Government:					
Miscellaneous	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	15,000	15,000	**15,000**	-	15,000
Total Transfers Out	15,000	15,000	**15,000**	-	15,000
Total Expenditures and Transfers Out	15,000	15,000	**15,000**	-	15,000
Excess (Deficit) of Revenues Over Expenditures and Transfers Out	$ (5,350)	$ (6,350)	**6**	$ 6,356	$ (1,443)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		
Depreciation expense			**-**		
Change in Net Position			**$ 6**		

OTHER SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 300,000	$ 300,000	**$ 357,468**	$ 57,468	$ 337,803
Water surcharges	500	500	**14,257**	13,757	12,230
Drainage fees	-	-	**-**	-	-
Tap fees	-	-	**25,000**	25,000	50,000
Total Operating Revenues	300,500	300,500	**396,725**	96,225	400,033
Non-Operating Revenues:					
Interest on investments	500	500	**53**	(447)	98
Transfer from other funds	-	-	**-**	-	-
Other revenue	10,000	10,000	**9,564**	(436)	10,430
Total Non-Operating Revenues	10,500	10,500	**9,617**	(883)	10,528
Miscellaneous Revenues:					
Contributions	-	-	**374,000**	374,000	-
Sale of assets	-	-	**-**	-	-
Grant proceeds	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**374,000**	374,000	-
Total Revenues	$ 311,000	$ 311,000	**$ 780,342**	$ 469,342	$ 410,561

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 42,000	$ 42,000	**$ 35,543**	$ 6,457	$ 33,670
Payroll taxes	3,000	3,000	**2,824**	176	2,675
Retirement	1,100	1,100	**1,066**	34	891
Health insurance	-	-	**-**	-	-
Supplies	10,000	10,000	**8,180**	1,820	4,915
Insurance	6,000	6,000	**8,837**	(2,837)	-
Utilities	5,000	5,000	**11,388**	(6,388)	3,698
Miscellaneous	100	100	**497**	(397)	288
Engineering	10,000	10,000	**5,032**	4,968	932
Outside services	30,000	30,000	**44,603**	(14,603)	28,480
Repairs	1,000	1,000	**873**	127	1,305
Fuel	18,000	18,000	**784**	17,216	230
Water purchased	170,000	170,000	**140,738**	29,262	127,516
Water augmentation	3,000	3,000	**-**	3,000	-
Water assessments	22,000	22,000	**14,151**	7,849	12,812
Monitoring and testing	10,000	10,000	**1,087**	8,913	2,331
System maintenance	40,000	40,000	**4,153**	35,847	2,463
Total System Operation & Maintenance	371,200	371,200	**279,756**	91,444	222,206
Administrative & General:					
Salaries	35,000	35,000	**22,194**	12,806	20,233
Payroll taxes	3,000	3,000	**1,764**	1,236	1,798
Retirement	2,000	2,000	**676**	1,324	561
Health insurance	25,000	25,000	**16,348**	8,652	16,709
Audit and accounting	25,000	25,000	**7,324**	17,676	7,105
Supplies	3,000	3,000	**1,411**	1,589	884
Insurance	15,000	15,000	**2,795**	12,205	12,152
Legal	15,000	15,000	**1,102**	13,898	1,069
Advertising and legal notices	500	500	**500**	-	-
Codification ordinances	-	-	**-**	-	733
Telephone and postage	5,000	5,000	**2,119**	2,881	2,191
Utilities	15,000	15,000	**2,214**	12,786	4,597
Travel and transportation	1,000	1,000	**304**	696	-
Miscellaneous	20,000	20,000	**2,657**	17,343	4,829
Engineering	15,000	15,000	**4,689**	10,311	9,379
Outside services	500	500	**2,007**	(1,507)	758
Fuel	-	-	**444**	(444)	1,514
IT service	5,000	5,000	**6,771**	(1,771)	5,034
Software maintenance	1,500	1,500	**1,642**	(142)	2,831
Total Administrative & General	186,500	186,500	**76,961**	109,539	92,377
Total Operating Expenditures	557,700	557,700	**356,717**	200,983	314,583
Non-Operating Expenditures:					
Capital outlay	30,000	30,000	**374,000**	(344,000)	-
Total Non-Operating Expenditures	30,000	30,000	**374,000**	(344,000)	-
Total Expenditures	$ 587,700	$ 587,700	**$ 730,717**	$ (143,017)	$ 314,583

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 300,500	$ 300,500	**$ 396,725**	$ 96,225	$ 400,033
Non-operating revenues	10,500	10,500	**9,617**	(883)	10,528
Miscellaneous revenues	-	-	**374,000**	374,000	-
Total Revenues	311,000	311,000	**780,342**	469,342	410,561
Expenditures:					
System operation & maintenance	371,200	371,200	**279,756**	91,444	222,206
Administrative & general	186,500	186,500	**76,961**	109,539	92,377
Capital outlay	30,000	30,000	**374,000**	(344,000)	-
Total Expenditures	587,700	587,700	**730,717**	(143,017)	314,583
Excess (Deficiency) of Revenues over Expenditures	$ (276,700)	$ (276,700)	**49,625**	$ 326,325	$ 95,978
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**374,000**		
Depreciation expense			**(54,251)**		
Change in Net Position			**$ 369,374**		

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 315,000	$ 315,000	**$ 369,046**	$ 54,046	$ 368,768
Tap Fees	2,000	2,000	**8,550**	6,550	12,750
Total Operating Revenues	317,000	317,000	**377,596**	60,596	381,518
Non-Operating Revenues:					
Interest on investments	2,500	2,500	**2,329**	(171)	5,644
Other revenue	10,000	10,000	**8,527**	(1,473)	8,187
Total Non-Operating Revenues	12,500	12,500	**10,856**	(1,644)	13,831
Miscellaneous Income:					
Contributions	-	-	-	-	-
Sale of assets	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Transfers In (Out)	-	-	-	-	-
Total Miscellaneous Revenues	-	-	-	-	-
Total Revenues	$ 329,500	$ 329,500	**$ 388,452**	$ 58,952	$ 395,349

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 38,000	$ 38,000	$ **35,543**	$ 2,457	$ 32,765
Payroll taxes	3,500	3,500	**2,824**	676	2,675
Retirement	1,200	1,200	**1,066**	134	891
Health insurance	-	-	**-**	-	-
Supplies	15,000	15,000	**7,434**	7,566	1,984
Insurance	4,000	4,000	**5,050**	(1,050)	-
Legal	5,000	5,000	**-**	5,000	-
Telephone and postage	500	500	**-**	500	-
Utilities	30,000	30,000	**21,310**	8,690	28,527
Miscellaneous	1,000	1,000	**375**	625	4,533
Engineering	55,000	55,000	**4,188**	50,812	1,618
Outside services	60,000	60,000	**11,835**	48,165	61,996
Repairs	-	-	**1,501**	(1,501)	390
Fuel	45,000	45,000	**511**	44,489	68
Monitoring and testing	45,000	45,000	**39,793**	5,207	45,155
System maintenance	160,000	160,000	**103,952**	56,048	47,033
Total System Operation & Maintenance	463,200	463,200	**235,382**	227,818	227,635
Administrative & General:					
Salaries	35,000	35,000	**21,782**	13,218	19,335
Payroll taxes	3,000	3,000	**1,731**	1,269	1,669
Retirement	1,200	1,200	**663**	537	548
Health insurance	15,500	15,500	**9,191**	6,309	11,009
Audit and accounting	20,000	20,000	**4,187**	15,813	4,060
Supplies	2,000	2,000	**727**	1,273	1,169
Insurance	10,000	10,000	**1,597**	8,403	7,249
Legal	5,000	5,000	**-**	5,000	-
Advertising and legal notices	500	500	**292**	208	-
Codification ordinances	1,000	1,000	**-**	1,000	419
Telephone and postage	4,000	4,000	**1,240**	2,760	1,494
Utilities	25,000	25,000	**121**	24,879	771
Travel and transportation	1,000	1,000	**-**	1,000	-
Miscellaneous	15,000	15,000	**4,324**	10,676	2,174
Engineering	10,000	10,000	**4,010**	5,990	10,219
Outside services	20,000	20,000	**15**	19,985	-
Fuel	-	-	**262**	(262)	960
IT service	3,000	3,000	**3,871**	(871)	3,269
Software maintenance	700	700	**781**	(81)	1,603
Total Administrative & General	171,900	171,900	**54,794**	117,106	65,948
Total Operating Expenditures	635,100	635,100	**290,176**	344,924	293,583
Non-Operating Expenditures:					
Capital outlay	50,000	50,000	**-**	50,000	8,796
Total Non-Operating Expenditures	50,000	50,000	**-**	50,000	8,796
Total Expenditures	$ 685,100	$ 685,100	$ **290,176**	$ 394,924	$ 302,379

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				
	Budget			Variance - Favorable	2019
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 317,000	$ 317,000	**$ 377,596**	$ 60,596	$ 381,518
Non-operating revenues	12,500	12,500	**10,856**	(1,644)	13,831
Miscellaneous revenues	-	-	**-**	-	-
Total Revenues	329,500	329,500	**388,452**	58,952	395,349
Expenditures:					
System operations & maintenance	463,200	463,200	**235,382**	227,818	227,635
Administrative & general	171,900	171,900	**54,794**	117,106	65,948
Non-operating	50,000	50,000	**-**	50,000	8,796
Total Expenditures	685,100	685,100	**290,176**	394,924	302,379
Excess (Deficiency) of Revenues over Expenditures	$ (355,600)	$ (355,600)	**98,276**	$ 453,876	$ 92,970
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**-**		
Depreciation expense			**(70,976)**		
Change in Net Position			**$ 27,300**		

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 2020**
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	1,103
3. Other local imposts (from page 2)	6,202
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)	7,305
B. Private Contributions	
C. Receipts from State government (from page 2)	47,113
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	54,418

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	14,980
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other **Street Lighting**	17,684
d. Total (a. through c.)	17,684
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	21,754
6. Total (1 through 5)	54,418
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)	54,418

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	54,418	54,418	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: **Colorado**
	YEAR ENDING (mm/yy): **December 2020**

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	6,202	g. Other Misc. Receipts	0
6. Total (1. through 5.)	6,202	h. Other	0
c. Total (a. + b.)	6,202	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	41,381	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	5,732	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.)	5,732	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	47,113	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: