Annual Financial Report

Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2023

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Pierce
Pierce, Colorado

Opinions
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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Pierce, State of Colorado as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Pierce, State of Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Pierce, State of Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and budgetary comparison information on pages 31-35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our 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.

Supplementary 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 36-41 and the local highway finance report on pages 42-43 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 on pages 36-41 and the local highway finance report on pages 42-43 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Greeley, Colorado
June 28, 2024

Tim Chavies & Associates, Inc.
Certified Public Accountants

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

This section of Town of Pierce, State of Colorado's (Town) 2023 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2023. 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 $301,252 during 2023, compared to $1,756,935 in 2022. The increase was due to property and sales tax increase, licenses and permits increase, grants and, contributions received.

- The Town capitalized $607,939 of capital assets, and recorded depreciation of $228,275 during 2023. In 2022 the Town capitalized $1,672,218 and recorded depreciation of $163,682.

- Total revenues for the governmental funds were $1,274,715 in 2023 compared to $1,211,478 in 2022, an increase of $63,237 or 5.22%. Total expenditures were $1,296,267 in 2023 compared to $1,780,483 in 2022, a decrease of $484,216 or 27.20%.

- Total operating revenues for the proprietary funds were $721,051 in 2023 compared to $751,021 in 2022, a decrease of $29,970 or 3.99%. Total operating expenditures were $881,069 in 2023 compared to $878,416 in 2022, an increase of $2,653 or 0.30%.

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, 2023:

	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 2,341,569	$ 1,231,404	$ 3,572,973
Noncurrent assets	2,215,287	6,655,312	8,870,599
Total Assets	**4,556,856**	**7,886,716**	**12,443,572**
Total Deferred Outflows	-	-	-
Current liabilities	144,993	63,383	208,376
Noncurrent liabilities	36,532	-	36,532
Total Liabilities	**181,525**	**63,383**	**244,908**
Unearned revenues - property taxes	357,146	-	357,146
Total Deferred Inflows	**357,146**	-	**357,146**
Net investment in capital assets	2,037,928	6,655,312	8,693,240
Restricted	288,203	-	288,203
Unrestricted	1,692,054	1,168,021	2,860,075
Total Net Position	**$ 4,018,185**	**$ 7,823,333**	**$ 11,841,518**

The restricted portion of net position ($288,203) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2,860,075) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2023:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 90,923	$ 698,394	$ 789,317
Capital contributions	-	-	-
General Revenues:			
Taxes	899,643	-	899,643
Licenses and permits	31,701	-	31,701
Intergovermental revenues	150,642	-	150,642
Fines and forfeitures	29,790	-	29,790
Earnings on investment	38,928	27,597	66,525
Other	33,088	22,657	55,745
Total Revenues	**1,274,715**	**748,648**	**2,023,363**
Expenses:			
General government	301,547	-	301,547
Public safety	173,138	-	173,138
Public works	293,030	-	293,030
Health and welfare	-	-	-
Culture - recreation	71,721	-	71,721
Other	1,606	-	1,606
Water	-	420,752	420,752
Sewer	-	460,317	460,317
Total Expenses	**841,042**	**881,069**	**1,722,111**
Change in Net Position	**433,673**	**(132,421)**	**301,252**
Net Position - beginning	3,584,512	7,955,754	11,540,266
Net Position - ending	**$ 4,018,185**	**$ 7,823,333**	**$ 11,841,518**

Net position increased to $11,841,518, an increase of $301,252 from 2022. The increase due to property and sales tax increases, license and permit increases, and capital outlay of $607,939, less depreciation expense of $228,275.

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, 2023, the Town's governmental funds reported combined ending fund balances of $2,000,051 a decrease of $21,552 in comparison with 2022. Approximately 74.84% of this total amount ($1,496,838) 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	-	3,146,165	3,146,165
Construction in progress	559,788	19,383	579,171
Utility systems	-	5,561,966	5,561,966
Buildings and improvements	1,577,010	-	1,577,010
Machinery and equipment	361,492	189,671	551,163
Total Capital Assets	**2,720,168**	**8,943,405**	**11,663,573**
Less: Accumulated depreciation	(652,685)	(2,288,093)	(2,940,778)
Net Capital Assets	**$ 2,067,483**	**$ 6,655,312**	**$ 8,722,795**

Capital assets – net of depreciation increased $379,664 during 2023 due to capital outlay (assets acquired) less depreciation. (See Note 7 for further discussion).

DEBT ADMINISTRATION

The Town acquired debt in 2021 with the finance purchase of a Kubota tractor. During 2023, monthly payments were made on that debt. (See Note 9 for further discussion).

ECONOMIC FACTORS

West Main Ave was repaved from 5th St to the ditch on the west side of Town. New road base was laid on 3rd St.

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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,241,375	$ 589,052	**$ 1,830,427**
Cash on deposit - Weld County Treasurer	9,345	-	**9,345**
Local government investment pools	675,832	580,878	**1,256,710**
Accounts receivable	56,840	53,835	**110,675**
Accrued interest receivable	-	-	**-**
Property taxes receivable	357,146	-	**357,146**
Prepaid expenses	1,031	7,639	**8,670**
Internal balances	-	-	**-**
Total Current Assets	2,341,569	1,231,404	**3,572,973**
Noncurrent Assets			
Restricted Assets:			
Local government investment pools	147,804	-	**147,804**
Capital Assets:			
Land	221,878	26,220	**248,098**
Water rights	-	3,146,165	**3,146,165**
Construction in progress	559,788	19,383	**579,171**
Utility systems	-	5,561,966	**5,561,966**
Buildings and improvements	1,577,010	-	**1,577,010**
Machinery and equipment	361,492	189,671	**551,163**
Total Capital Assets	2,720,168	8,943,405	**11,663,573**
Less: accumulated depreciation	(652,685)	(2,288,093)	**(2,940,778)**
Net Capital Assets	2,067,483	6,655,312	**8,722,795**
Total Noncurrents Assets	2,215,287	6,655,312	**8,870,599**
Total Assets	4,556,856	7,886,716	**12,443,572**
LIABILITIES			
Current Liabilities:			
Accounts payable	130,298	52,959	**183,257**
Payroll taxes payable	1,478	1,805	**3,283**
Accrued interest payable	57	-	**57**
Deposits	400	8,619	**9,019**
Current portion of long-term obligations	12,760	-	**12,760**
Total Current Liabilities	144,993	63,383	**208,376**
Noncurrent Liabilities:			
Compensated absences	19,794	-	**19,794**
Note payable - NCL governmental capital	29,498	-	**29,498**
Lease payable	-	-	**-**
Less: portion due within one year	(12,760)		**(12,760)**
Total Noncurrent Liabilities	36,532	-	**36,532**
Total Liabilities	181,525	63,383	**244,908**
DEFERRED INFLOWS			
Unearned revenue - property taxes	357,146	-	**357,146**
NET POSITION			
Net investment in capital assets	2,037,928	6,655,312	**8,693,240**
Restricted	288,203	-	**288,203**
Unrestricted	1,692,054	1,168,021	**2,860,075**
Total Net Position	$ 4,018,185	$ 7,823,333	**$ 11,841,518**

TOWN OF PIERCE, COLORADO

Statement of Activities

Government-Wide

December 31, 2023

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	$ (301,547)	$ -	$ -	$ (301,547)	$ -	**$ (301,547)**
Public safety	(173,138)	-	-	(173,138)	-	**(173,138)**
Public works	(293,030)	90,923	-	(202,107)	-	**(202,107)**
Health and welfare	-	-	-	-	-	**-**
Culture - recreation	(71,721)	-	-	(71,721)	-	**(71,721)**
Interest on long-term debt	(1,606)	-	-	(1,606)	-	**(1,606)**
Total Governmental Activities	(841,042)	90,923	-	(750,119)	-	**(750,119)**
Business-Type Activities:						
Water fund	(420,752)	330,057	-	-	(90,695)	**(90,695)**
Sewer fund	(460,317)	368,337	-	-	(91,980)	**(91,980)**
Total Business-Type Activities	(881,069)	698,394	-	-	(182,675)	**(182,675)**
Total Primary Government	$ (1,722,111)	$ 789,317	$ -	(750,119)	(182,675)	**(932,794)**
General Revenues:						
Taxes				899,643	-	**899,643**
Licenses and permits				31,701	-	**31,701**
Intergovernmental revenue				150,642	-	**150,642**
Fines and forfeitures				29,790	-	**29,790**
Miscellaneous income				33,088	22,657	**55,745**
Sale of assets				-	-	**-**
Grants				-	-	**-**
Insurance proceeds				-	-	**-**
Interest income				38,928	27,597	**66,525**
Transfers				-	-	**-**
Contributions				-	-	**-**
Total General Revenues				1,183,792	50,254	**1,234,046**
Change in Net Position				433,673	(132,421)	**301,252**
Net Position-beginning of year				3,584,512	7,955,754	**11,540,266**
Net Position-end of year				$ 4,018,185	$ 7,823,333	**$ 11,841,518**

TOWN OF PIERCE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2023

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,241,375	$ -	**$ 1,241,375**
Cash on deposit - Weld County Treasurer	9,345	-	**9,345**
Local government investment pools	546,531	129,301	**675,832**
Accounts receivable	56,840	-	**56,840**
Accrued interest receivable	-	-	**-**
Property taxes receivable	357,146	-	**357,146**
Prepaid expenses	1,031	-	**1,031**
Due from other funds	25,720	-	**25,720**
Total Current Assets	2,237,988	129,301	**2,367,289**
Noncurrent Assets			
Restricted local government investment pools	147,804	-	**147,804**
Total Noncurrent Assets	147,804	-	**147,804**
Total Assets	$ 2,385,792	$ 129,301	**$ 2,515,093**
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 130,298	$ -	**$ 130,298**
Payroll taxes payable	1,478	-	**1,478**
Deposits	400	-	**400**
Due to other funds	-	25,720	**25,720**
Total Current Liabilities	132,176	25,720	**157,896**
Total Liabilities	132,176	25,720	**157,896**
DEFERRED INFLOWS			
Unearned revenue - property taxes	357,146	-	**357,146**
Total Liabilities & Deferred Inflows	489,322	25,720	**515,042**
FUND BALANCE			
Non-spendable - prepaids	1,031	-	**1,031**
Restricted:			
Tabor	36,818	-	**36,818**
Parks and recreation	-	103,581	**103,581**
SLRFR program	147,804	-	**147,804**
Committed - subsequent year's expenditures	213,979	-	**213,979**
Assigned	-	-	**-**
Unassigned	1,496,838	-	**1,496,838**
Total Fund Balance	1,896,470	103,581	**2,000,051**
Total Liabilities, Deferred Inflows & Fund Balance	$ 2,385,792	$ 129,301	**$ 2,515,093**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	**$ 2,000,051**
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, not reported in the governmental fund financial statements:	
Capital assets	**2,720,168**
Less: accumulated depreciation	**(652,685)**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the governmental fund financial statements:	
Compensated absences	**(19,794)**
Note payable	**(29,498)**
Capital lease obligations	**-**
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due:	
Accrued interest payable	**(57)**
Net Position of Governmental Activities	**$ 4,018,185**

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2023

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 899,643	$ -	**$ 899,643**
Licenses and permits	31,701	-	**31,701**
Intergovernmental revenue	135,105	15,537	**150,642**
Charges for services	90,923	-	**90,923**
Fines and forfeitures	29,790	-	**29,790**
Miscellaneous revenues	66,284	5,732	**72,016**
Total Revenues	1,253,446	21,269	**1,274,715**
Expenditures:			
General government	295,221	-	**295,221**
Public safety	173,138	-	**173,138**
Public works	744,533	-	**744,533**
Health and welfare	-	-	**-**
Culture - recreation	69,600	-	**69,600**
Debt service	13,775	-	**13,775**
Total Expenditures	1,296,267	-	**1,296,267**
Excess (Deficiency) of Revenues over Expenditures	(42,821)	21,269	**(21,552)**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	-	**-**
Insurance proceeds	-	-	**-**
Loan proceeds	-	-	**-**
Grants	-	-	**-**
Transfers in	-	-	**-**
Transfers out	-	-	**-**
Total Other Financing Sources (Uses)	-	-	**-**
Net Change in Fund Balance	(42,821)	21,269	**(21,552)**
Fund Balance - beginning of year	1,939,291	82,312	**2,021,603**
Fund Balance - End of Year	$ 1,896,470	$ 103,581	**$ 2,000,051**

<u>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:</u>

Net Change in Fund Balance - Total Governmental Funds	**$ (21,552)**
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	**558,671**
Depreciation expense	**(112,529)**
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:	
Long-term debt proceeds	**-**
Long-term debt payments	**12,226**
Lease payable	**-**
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	**(3,165)**
Accrued interest payable	**22**
Change in Net Position of Governmental Activities	**$ 433,673**

TOWN OF PIERCE, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2023

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 449,676	$ 139,376	**$ 589,052**
Local government investment pools	12,923	567,955	**580,878**
Accounts receivable	22,857	30,978	**53,835**
Accrued interest receivable	-	-	**-**
Prepaid expenses	7,152	487	**7,639**
Due from other funds	-	-	**-**
Total Current Assets	492,608	738,796	**1,231,404**
Noncurrent Assets:			
Restricted Assets:			
Local government investment pools	-	-	**-**
Capital Assets:			
Land	2,273	23,947	**26,220**
Water rights	3,146,165	-	**3,146,165**
Construction in progress	12,335	7,048	**19,383**
Utility systems	2,649,929	2,912,037	**5,561,966**
Machinery and equipment	81,328	108,343	**189,671**
Total Capital Assets	5,892,030	3,051,375	**8,943,405**
Less: Accumulated depreciation	(1,152,199)	(1,135,894)	**(2,288,093)**
Net Capital Assets	4,739,831	1,915,481	**6,655,312**
Total Noncurrent Assets	4,739,831	1,915,481	**6,655,312**
Total Assets	5,232,439	2,654,277	**7,886,716**
LIABILITIES			
Current Liabilities:			
Accounts payable	27,962	24,997	**52,959**
Payroll taxes payable	1,149	656	**1,805**
Accrued interest payable	-	-	**-**
Deposits	8,619	-	**8,619**
Due to other funds	-	-	**-**
Total Current Liabilities	37,730	25,653	**63,383**
Total Liabilities	37,730	25,653	**63,383**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	37,730	25,653	**63,383**
NET POSITION			
Net investment in capital assets	4,739,831	1,915,481	**6,655,312**
Restricted	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	252,350	167,150	**419,500**
Undesignated	202,528	545,993	**748,521**
Total Net Position	$ 5,194,709	$ 2,628,624	**$ 7,823,333**

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, 2023

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 330,057	$ 368,337	**$ 698,394**
Other revenue	15,005	7,652	**22,657**
Total Operating Revenues	345,062	375,989	**721,051**
Operating Expenses:			
System Operation and Maintenance:			
Salaries	42,785	42,785	**85,570**
Payroll taxes	3,357	3,357	**6,714**
Retirement	1,237	1,237	**2,474**
Supplies	32,190	13,553	**45,743**
Insurance	8,247	4,639	**12,886**
Utilities	-	26,553	**26,553**
Miscellaneous	-	-	**-**
Engineering	-	164	**164**
Outside services	6,003	7,181	**13,184**
Fuel	2,270	1,522	**3,792**
Water purchased	132,525	-	**132,525**
Water assessments	10,084	-	**10,084**
Monitoring and testing	1,161	31,384	**32,545**
System maintenance	11,533	178,682	**190,215**
Total System Operation and Maintenance	251,392	311,057	**562,449**
Administrative and General:			
Salaries	24,590	24,092	**48,682**
Payroll taxes	1,930	1,891	**3,821**
Retirement	747	731	**1,478**
Health insurance	19,668	11,239	**30,907**
Audit and accounting	8,269	4,725	**12,994**
Supplies	989	4,117	**5,106**
Insurance	6,976	4,862	**11,838**
Legal	3,686	1,800	**5,486**
Advertising and legal notices	-	-	**-**
Telephone and postage	4,922	2,812	**7,734**
Utilities	7,622	9,133	**16,755**
Miscellaneous	323	57	**380**
Uniforms	647	398	**1,045**
Subscriptions and memberships	259	212	**471**
Hospitality	-	-	**-**
Training	-	-	**-**
Engineering	3,982	4,906	**8,888**
Outside services	3,606	4,394	**8,000**
Fuel	840	480	**1,320**
IT service	12,163	6,950	**19,113**
Software maintenance	15,960	2,896	**18,856**
Reserved	-	-	**-**
Total Administrative and General	117,179	85,695	**202,874**
Depreciation and Amortization	52,181	63,565	**115,746**
Total Operating Expenses	420,752	460,317	**881,069**
Operating Income (Loss)	(75,690)	(84,328)	**(160,018)**
Non-Operating Revenues (Expenses)			
Interest income	614	26,983	**27,597**
Sale of assets	-	-	**-**
Grant proceeds	-	-	**-**
Insurance proceeds	-	-	**-**
Total Non-Operating Revenues (Expenses)	614	26,983	**27,597**
Income (Loss) before contributions and transfers	(75,076)	(57,345)	**(132,421)**
Contributions	-	-	**-**
Transfers In (Out)	-	-	**-**
Change in Net Position	(75,076)	(57,345)	**(132,421)**
Net Position - beginning of year	5,269,785	2,685,969	**7,955,754**
Net Position - End of Year	$ 5,194,709	$ 2,628,624	**$ 7,823,333**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2023

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 364,125	$ 368,329	**$ 732,454**
Cash payments to employees	(67,375)	(66,877)	**(134,252)**
Cash payments to suppliers	(309,816)	(331,239)	**(641,055)**
Other non-operating revenues	15,005	7,652	**22,657**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	1,939	(22,135)	**(20,196)**
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	(49,268)	(8,950)	**(58,218)**
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	(49,268)	(8,950)	**(58,218)**
Cash Flows From Investing Activities:			
Interest on investments	614	26,983	**27,597**
Net Cash Flows From Investing Activities	614	26,983	**27,597**
Net Increase (Decrease) in Cash and Cash Equivalents	(46,715)	(4,102)	**(50,817)**
Cash and Cash Equivalents - January 1	509,314	711,433	**1,220,747**
Cash and Cash Equivalents - December 31	$ 462,599	$ 707,331	**$ 1,169,930**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (75,690)	$ (84,328)	**$ (160,018)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	52,181	63,565	**115,746**
Changes in assets and liabilities:			
Receivables	34,068	(8)	**34,060**
Prepaid expenses	(6,519)	(89)	**(6,608)**
Due from other funds	-	-	**-**
Payables and other accrued expenses	(2,101)	(1,275)	**(3,376)**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	$ 1,939	$ (22,135)	**$ (20,196)**

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 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This statement establishes standards of accounting and financial reporting for PPPs and APAs for governments and supersedes Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements.* Implementation had no impact to the Town's financial statements.

GASB Statement No 96, *Subscription-Based Information Technology Arrangements.* This statement establishes standards of accounting and financial reporting for SBITAs arrangements. Implementation had no impact on the Town's financial statements.

GASB Statement No 99, *Omnibus 2022.* This statement establishes and amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, the transition from LIBOR, the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenues, the focus of government-wide financial statements; SBITAs, PPPs and terminology. Implementation had no impact on 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.

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

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.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (continued)

Lease-related amounts are recognized at the inception of the lease. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Leases

The Town recognizes and measures its leases in accordance with GASB Statement No 87, *Leases*. The Town was a lessee for office equipment subject to mutual covenants and conditions. The Town determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed.

The Town has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Town is reasonably certain to exercise. The Town recognize lease cost associated with short-term leases on a straight-line basis over the lease term.

Beginning January 1, 2022, lease receivable and related deferred revenue of lease receivable have been presented.

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 2023:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 1,977,700	$ 200,000	$ 2,177,700
Conservation Trust Fund	50,000	-	50,000
Proprietary Funds			
Water Fund	668,850	-	668,850
Sewer Fund	579,400	-	579,400
Total Funds	$ 3,275,950	$ 200,000	$ 3,475,950

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $19,794 at December 31, 2023. 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.

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

Restricted Cash and Investments

The Town received funds from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents and businesses. These funds may only be used in compliance with section 603(c.) of the Social Security Act, Treasury's regulations implementing that section, and guidance issued by the Treasury.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments
Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. See Note 3 for further discussion.

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, 2023, 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).

Construction in Progress
Construction in progress includes design and construction costs that accumulate until completion or installation of the respective project, at which time the total cost is transferred to depreciate capital assets.

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 used 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.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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). See Note 15 for further discussion.

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 $36,818 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 and cash equivalents	$ 1,241,375	$ 589,052	$ 1,830,427
Cash with county treasurer	9,345	-	9,345
Investments: Local govt investment pools	675,832	580,878	1,256,710
Restricted: Local govt investment pools	147,804	-	147,804
Total	**$ 2,074,356**	**$ 1,169,930**	**$ 3,244,286**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 9,545	$ 200	$ 9,745
Bank accounts	1,241,175	588,852	1,830,027
Investments	823,636	580,878	1,404,514
Total	**$ 2,074,356**	**$ 1,169,930**	**$ 3,244,286**

Cash Deposits

As of December 31, 2023, the carrying amount of the Town's deposits was $1,830,027 and the corresponding bank balance was $1,829,632.

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.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2023, 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
Local govt investment pools	AAAm	$ 1,404,514	$ -	$ -	$ -	$ 1,404,514
Total		**$ 1,404,514**	**$ -**	**$ -**	**$ -**	**$ 1,404,514**

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.

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, 2023.

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.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)
Investments (continued)
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 are three levels of inputs that may be used to measure fair value, as follows:

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

The Town's investment in COLOTRUST PRIME and PLUS+ 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*. COLOTRUST EDGE does not seek to maintain a stable net asset value.

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

	Governmental Activities	Business-Type Activities	Total
Interest income	$ 38,928	$ 27,597	$ 66,525
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 38,928**	**$ 27,597**	**$ 66,525**

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	$ 1,031	$ -	$ 1,031
Restricted:			
Emergencies (TABOR Reserve)	36,818	-	36,818
Parks and recreation	-	103,581	103,581
SLRFR program	147,804	-	147,804
Total	184,622	103,581	288,203
Commited:			
Subsequent years expenditures	213,979	-	213,979
Unassigned:			
General Government	1,496,838	-	1,496,838
Total Fund Balances	**$ 1,896,470**	**$ 103,581**	**$ 2,000,051**

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, 2023, to be collected in the subsequent year, 2024 are accrued as a receivable as of December 31, 2023 and offset by a deferred revenue account.

The Town's property tax calendar for 2023 is as follows:

Lien Date	January 1, 2023
Levy Date	November 1, 2023
Tax bills mailed	January 1, 2024
First installment due	February 28, 2024
Second installment due	June 15, 2024
If paid in full, due	April 30, 2024
Tax sale – delinquent taxes	November 15, 2024

NOTE 6 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2023.

	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, 2023:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreicated				
Land	$ 221,878	$ -	$ -	$ 221,878
Construction in progress	15,859	543,929	-	559,788
Total Capital Assets, not being depreciated	237,737	543,929	-	781,666
Capital Assets, being depreciated				
Buildings and improvements	1,577,010	-	-	1,577,010
Machinery and equipment	346,750	14,742	-	361,492
Total Capital Assets, being depreciated	1,923,760	14,742	-	1,938,502
Less: Accumulated Depreciation for:				
Buildings and improvements	(264,394)	(90,706)	-	(355,100)
Machinery and equipment	(275,762)	(21,823)	-	(297,585)
Total Accumulated Depreciation	(540,156)	(112,529)	-	(652,685)
Total Capital Assets, being depreciated - Net	1,383,604	(97,787)	-	1,285,817
Capital Assets - Net	$ 1,621,341	$ 446,142	$ -	$ 2,067,483

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 6,953
Public Safety	-
Culture and recreation	13,150
Highways and streets	92,426
Total Depreciation Expense - Governmental Activities	$ 112,529

NOTE 7 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2023:

Business-Type Activities:	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreicated				
Land	$ 26,220	$ -	$ -	$ 26,220
Water rights	3,146,165	-	-	3,146,165
Construction in progress	19,383	-	-	19,383
Total Capital Assets, not being depreciated	3,191,768	-	-	3,191,768
Capital Assets, being depreciated				
Utility systems	5,538,915	23,051	-	5,561,966
Machinery and equipment	154,504	35,167	-	189,671
Total Capital Assets, being depreciated	5,693,419	58,218	-	5,751,637
Less: Accumulated Depreciation for:				
Utility systems	(2,024,118)	(111,823)	-	(2,135,941)
Machinery and equipment	(148,229)	(3,923)	-	(152,152)
Total Accumulated Depreciation	(2,172,347)	(115,746)	-	(2,288,093)
Total Capital Assets, being depreciated - Net	3,521,072	(57,528)	-	3,463,544
Capital Assets - Net	$ 6,712,840	$ (57,528)	$ -	$ 6,655,312

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 52,181
Sewer fund	63,565
Total Depreciation Expense - Business-Type Activities	$ 115,746

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2023 is as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ 25,720	$ -	$ -	$ -
Conservation Trust Fund	-	25,720	-	-
Total Governmental Activities	25,720	25,720	-	-
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	$ 25,720	$ 25,720	$ -	$ -

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2023 that balance was $25,720. Transfers from Conservation Trust to General Fund are accounted for in accordance with budgetary authorizations.

NOTE 9 – LONG-TERM OBLIGATIONS

Direct Borrowings – Note Payable – NCL Governmental Capital

On March 5, 2021, the Town entered into a finance purchase agreement with Lease Servicing Center, Inc. dba NCL Governmental Capital for a Kubota Model M5-111HDC-1 Tractor in the amount of $61,829. The terms of the agreement require monthly payments of $1,148, including interest at a 4.33% annual rate, with the first payment due on April 15, 2021 and final payment due March 15, 2026.

The Town irrevocably pledged and granted a lien upon the tractor for repayment of this agreement. The agreement may be prepaid in whole or in part without penalty upon prior written notice of not less than thirty (30) days. Prepayments shall be applied first to accrued interest and then to principal on the loan.

The Note shall be in default under this agreement upon certain events or conditions. Upon such default, the outstanding principal and interest, may at once, become due and payable and said collateral be sold in the same manner and with the same effect as if said indebtedness had matured.

The balance due on direct borrowings from Lease Servicing Center, Inc.as of December 31, 2023 is $29,498.

Other Debt and Line of Credit

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

Changes in Long-Term Obligations

Notes for Direct Borrowings	12/31/2022	Additions	Reductions	12/31/2023	Due Within One Year
Governmental Activities:					
NCL governmental capital	$ 41,724	$ -	$ (12,226)	$ 29,498	$ 12,760
Total Governmental Activities	41,724	-	(12,226)	29,498	12,760
Business-Type Activities:					
Water Fund	-	-	-	-	-
Sewer Fund	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total	$ 41,724	$ -	$ (12,226)	$ 29,498	$ 12,760

NOTE 10 – DEBT SERVICE REQUIREMENTS

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

Yead Ending December 31	Principal	Interest	Total
2024	$ 12,760	$ 1,015	$ 13,775
2025	13,318	457	13,775
2026	3,420	25	3,445
2027	-	-	-
2028	-	-	-
Total	**$ 29,498**	**$ 1,497**	**$ 30,995**

NOTE 11 - 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, 2023, the Town did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 12 – 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, 2023.

NOTE 13 – VALIC RETIREMENT PLAN

Plan Description

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

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

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($22,500 for the calendar year 2023). Catch-up contributions up to $7,500 for the calendar year 2023 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, 2023, the Town contributed $9,552.

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 14 - 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 $133,415 for 2023. A part-time Town employee administers the ordinances not covered by the law enforcement contract.

On December 6, 2023, the Town extended the contract with the Town of Ault for all law enforcement services (except for enforcement of dog, weed or zoning ordinances) effective January 1, 2024 through December 31, 2027, contact to be reviewed yearly and adjusted as necessary. The contract rate for 2024 is $295,650 with 3.5 percent increase each year thereafter.

NOTE 15 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through June 28, 2024, 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.

At an election held on April 2, 2024, 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, 2024 through May 31, 2033).

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Taxes:					
General property taxes	$ 308,960	$ 308,960	**$ 308,888**	$ (72)	$ 324,643
Delinquent property taxes	-	-	**549**	549	256
Specific ownership taxes	4,500	4,500	**13,139**	8,639	19,219
General sales and use taxes	245,000	245,000	**524,921**	279,921	483,575
Franchise taxes	38,000	38,000	**51,809**	13,809	48,190
Penalties and interest on delinquent taxes	100	100	**337**	237	440
Total Taxes	596,560	596,560	**899,643**	303,083	876,323
Licenses and Permits:					
Business	600	600	**825**	225	700
Non-business	34,000	34,000	**30,876**	(3,124)	36,660
Total Licenses and Permits	34,600	34,600	**31,701**	(2,899)	37,360
Intergovernmental Revenues:					
State Grants:					
Cigarette tax	2,000	2,000	**1,503**	(497)	1,086
Highway users tax	33,500	33,500	**50,850**	17,350	50,674
State Shared Revenues:					
Additional motor vehicle registration fees	4,500	4,500	**6,317**	1,817	6,717
Severance tax	39,000	39,000	**64,207**	25,207	62,335
Other Governmental Units:					
Weld County road and bridge funds	4,000	4,000	**12,228**	8,228	19,460
Total Intergovernmental Revenues	83,000	83,000	**135,105**	52,105	140,272
Charges for Services:					
Sanitation:					
Refuse collection charges	65,000	65,000	**84,976**	19,976	77,921
Health:					
Animal control	-	-	**-**	-	-
Drainage fee	5,000	5,000	**5,947**	947	5,470
Road impact fee	-	-	**-**	-	575
Total Charges for Services	70,000	70,000	**90,923**	20,923	83,966
Fines and Forfeitures - Court Fines	5,000	5,000	**29,790**	24,790	28,265
Miscellaneous Revenues:					
Earnings on investments	5,000	5,000	**33,196**	28,196	8,922
Other income	17,000	17,000	**33,088**	16,088	20,250
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Contributions	-	-	**-**	-	533,071
Grants	-	-	**-**	-	340,920
Total Miscellaneous Revenues	22,000	22,000	**66,284**	44,284	903,163
Total Revenues	$ 811,160	$ 811,160	**$ 1,253,446**	$ 442,286	$ 2,069,349

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
General Government:					
Legislative:					
Council fees	$ 12,000	$ 12,000	**$ 250**	$ 11,750	$ -
Payroll taxes	1,200	1,200	**19**	1,181	-
Supplies	200	200	**-**	200	-
Legal	1,000	1,000	**-**	1,000	-
Advertising and legal notices	-	-	**-**	-	-
Ordinances and proceedings	-	-	**-**	-	-
Total Legislative	14,400	14,400	**269**	14,131	-
Judicial:					
Municipal judge	5,000	5,000	**2,720**	2,280	4,258
Supplies	400	400	**-**	400	-
Miscellaneous	-	-	**-**	-	50
Outside services	5,000	5,000	**3,500**	1,500	2,225
Total Judicial	10,400	10,400	**6,220**	4,180	6,533
Elections:					
Supplies	4,000	4,000	**3,880**	120	1,538
Legal	500	500	**4,503**	(4,003)	440
Advertising and legal notices	250	250	**-**	250	-
Telephone and postage	2,000	2,000	**413**	1,587	928
Miscellaneous	-	-	**91**	(91)	81
Outside services	1,000	1,000	**1,440**	(440)	720
Total Elections	7,750	7,750	**10,327**	(2,577)	3,707
Administration:					
Salaries	100,000	100,000	**69,407**	30,593	91,872
Payroll taxes	10,000	10,000	**5,435**	4,565	7,205
Retirement	3,000	3,000	**1,878**	1,122	2,498
Employee's health insurance	22,000	22,000	**25,288**	(3,288)	23,794
Audit and accounting	25,000	25,000	**10,631**	14,369	9,386
Treasurer's fees	6,000	6,000	**3,091**	2,909	3,251
Supplies	35,000	35,000	**11,570**	23,430	6,325
Insurance	22,000	22,000	**20,161**	1,839	19,930
Legal	15,000	15,000	**12,650**	2,350	27,867
Advertising and legal notices	10,000	10,000	**4,873**	5,127	5,031
Codification ordinances	5,000	5,000	**-**	5,000	1,943
Telephone and postage	12,000	12,000	**6,431**	5,569	7,265
Utilities	26,000	26,000	**15,227**	10,773	9,068
Travel and transportation	500	500	**-**	500	161
Miscellaneous	10,500	10,500	**27,243**	(16,743)	7,279
Engineering	25,000	25,000	**11,962**	13,038	10,086
Outside services	20,000	20,000	**12,404**	7,596	10,402
Repairs	15,000	15,000	**9,463**	5,537	3,029
Fuel	-	-	**3,990**	(3,990)	644
IT service	14,000	14,000	**15,638**	(1,638)	12,363
Software maintenance	7,000	7,000	**7,350**	(350)	5,884
Lease obligation	-	-	**-**	-	1,309
Capital outlay	-	-	**3,713**	(3,713)	15,859
Total Administration	383,000	383,000	**278,405**	104,595	282,451
Planning and Zoning:					
Engineering	5,000	5,000	**-**	5,000	868
Total Planning and Zoning	5,000	5,000	**-**	5,000	868
Total General Government	420,550	420,550	**295,221**	125,329	293,559

(continued on next page)

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Public Safety: Police					
Police department contract	$ 250,000	$ 250,000	**$ 133,415**	$ 116,585	$ 122,721
Salaries	30,000	30,000	**23,606**	6,394	23,417
Payroll taxes	3,000	3,000	**1,853**	1,147	1,841
Retirement	900	900	**719**	181	720
Supplies	200	200	**87**	113	5
Insurance	-	-	**-**	-	-
Legal	-	-	**427**	(427)	-
Miscellaneous	-	-	**-**	-	-
Gas and oil	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	-
Total Police	284,100	284,100	**160,107**	123,993	148,704
Building inspections	20,000	20,000	**13,031**	6,969	14,171
Total Public Safety	304,100	304,100	**173,138**	130,962	162,875
Public Works: Highways and Streets					
Salaries	70,000	70,000	**60,844**	9,156	54,224
Payroll taxes	5,500	5,500	**4,774**	726	4,262
Retirement	2,100	2,100	**1,785**	315	1,594
Supplies	10,000	10,000	**3,718**	6,282	2,522
Legal	15,000	15,000	**6,213**	8,787	10,383
Insurance	-	-	**-**	-	-
Miscellaneous	-	-	**-**	-	2,518
Engineering	25,000	25,000	**19,175**	5,825	18,043
Outside services	5,000	5,000	**631**	4,369	-
Repairs	3,000	3,000	**98**	2,902	600
Fuel	1,400	1,400	**8**	1,392	2,083
Street lighting	25,000	25,000	**16,259**	8,741	18,400
System maintenance	20,000	20,000	**8,154**	11,846	1,620
Capital outlay	800,000	1,000,000	**543,929**	456,071	1,055,479
Total Highways and Streets	982,000	1,182,000	**665,588**	516,412	1,171,728
Sanitation: Waste Collection	80,000	80,000	**78,945**	1,055	70,555
Total Public Works	1,062,000	1,262,000	**744,533**	517,467	1,242,283
Health and Welfare - Animal Control	600	600	**-**	600	-
Culture - Recreation: Parks					
Salaries	55,000	55,000	**41,233**	13,767	42,335
Payroll taxes	5,000	5,000	**3,236**	1,764	3,328
Retirement	1,650	1,650	**1,218**	432	1,255
Supplies	8,000	8,000	**2,691**	5,309	555
Insurance	-	-	**-**	-	-
Telephone and postage	2,000	2,000	**901**	1,099	1,388
Utilities	5,500	5,500	**2,260**	3,240	3,853
Miscellaneous	-	-	**49**	(49)	1,432
Engineering	500	500	**-**	500	-
Outside services	5,000	5,000	**6,858**	(1,858)	8,545
Fuel	1,400	1,400	**-**	1,400	970
System maintenance	5,000	5,000	**125**	4,875	55
Capital outlay	50,000	50,000	**11,029**	38,971	4,275
Total Culture - Recreation	139,050	139,050	**69,600**	69,450	67,991
Debt Service					
Principal	-	-	**12,226**	(12,226)	11,660
Interest	-	-	**1,549**	(1,549)	2,115
Total Debt Service	-	-	**13,775**	(13,775)	13,775
Total Expenditures	$ 1,926,300	$ 2,126,300	**$ 1,296,267**	$ 830,033	$ 1,780,483

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Taxes	$ 596,560	$ 596,560	**$ 899,643**	$ 303,083	$ 876,323
Licenses and permits	34,600	34,600	**31,701**	(2,899)	37,360
Intergovernmental revenues	83,000	83,000	**135,105**	52,105	140,272
Charges for services	70,000	70,000	**90,923**	20,923	83,966
Fines and forfeitures	5,000	5,000	**29,790**	24,790	28,265
Miscellaneous revenues	22,000	22,000	**66,284**	44,284	903,163
Total Revenues	811,160	811,160	**1,253,446**	442,286	2,069,349
Transfers In:					
Conservation Trust Fund	50,000	50,000	**-**	(50,000)	15,000
Total Transfers In	50,000	50,000	**-**	(50,000)	15,000
Total Revenues and Transfers In	861,160	861,160	**1,253,446**	392,286	2,084,349
Expenditures:					
General government	420,550	420,550	**295,221**	125,329	293,559
Public safety	304,100	304,100	**173,138**	130,962	162,875
Public works	1,062,000	1,262,000	**744,533**	517,467	1,242,283
Health and welfare	600	600	**-**	600	-
Culture - recreation	139,050	139,050	**69,600**	69,450	67,991
Debt service	-	-	**13,775**	(13,775)	13,775
Capital reserve	51,400	51,400	**-**	51,400	-
Total Expenditures	1,977,700	2,177,700	**1,296,267**	881,433	1,780,483
Transfers Out:					
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers Out	1,977,700	2,177,700	**1,296,267**	881,433	1,780,483
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (1,116,540)	$ (1,316,540)	**(42,821)**	$ 1,273,719	$ 303,866
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**558,671**		
Depreciation expense			**(112,529)**		
Sale of assets			**-**		
Long-term debt proceeds			**-**		
Long-term debt payments			**12,226**		
Compensated absences			**(3,165)**		
Lease obligation			**-**		
Accrued interest payable			**22**		
Change in Net Position			**$ 412,404**		

TOWN OF PIERCE, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 12,000	$ 12,000	**$ 15,537**	$ 3,537	$ 14,005
Total Intergovernmental Revenue	12,000	12,000	**15,537**	3,537	14,005
Charges for Services:					
Culture-Recreation:					
Park Fee	-	-	-	-	600
Miscellaneous Revenues:					
Earnings on investments	10	10	**5,732**	5,722	1,515
Other revenue	-	-	-	-	-
Total Revenues	12,010	12,010	**21,269**	9,259	16,120
Expenditures:					
General Government:					
Miscellaneous	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Transfers Out:					
General Fund	50,000	50,000	-	50,000	15,000
Total Transfers Out	50,000	50,000	-	50,000	15,000
Total Expenditures and Transfers Out	50,000	50,000	-	50,000	15,000
Excess (Deficit) of Revenues Over Expenditures and Transfers Out	$ (37,990)	$ (37,990)	**21,269**	$ 59,259	$ 1,120
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			-		
Depreciation expense			-		
Change in Net Position			**$ 21,269**		

SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 350,000	$ 350,000	**$ 328,424**	$ (21,576)	$ 336,689
Water surcharges	3,000	3,000	**1,633**	(1,367)	-
Sale of water	-	-	-	-	1,425
Drainage fees	-	-	-	-	-
Tap fees	-	-	-	-	12,700
Total Operating Revenues	353,000	353,000	**330,057**	(22,943)	350,814
Non-Operating Revenues:					
Interest on investments	5	5	**614**	609	171
Transfer from other funds	-	-	-	-	-
Other revenue	13,000	13,000	**15,005**	2,005	18,621
Total Non-Operating Revenues	13,005	13,005	**15,619**	2,614	18,792
Miscellaneous Revenues:					
Contributions	-	-	-	-	540,000
Sale of assets	-	-	-	-	-
Grant proceeds	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Transfers In (Out)	104,950	104,950	-	(104,950)	-
Total Miscellaneous Revenues	104,950	104,950	-	(104,950)	540,000
Total Revenues	$ 470,955	$ 470,955	**$ 345,676**	$ (125,279)	$ 909,606

TOWN OF PIERCE, COLORADO

Schedule of Expenditures
*Budget to Actual - **Water Fund***
Year Ended December 31, 2023
With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 45,000	$ 45,000	**$ 42,785**	$ 2,215	$ 30,982
Payroll taxes	4,000	4,000	**3,357**	643	2,435
Retirement	1,350	1,350	**1,237**	113	893
Health insurance	-	-	**-**	-	-
Supplies	12,250	12,250	**32,190**	(19,940)	3,162
Insurance	12,000	12,000	**8,247**	3,753	10,775
Utilities	16,000	16,000	**-**	16,000	11,214
Travel and transportation	500	500	**-**	500	-
Miscellaneous	2,000	2,000	**-**	2,000	798
Engineering	5,000	5,000	**-**	5,000	-
Outside services	15,000	15,000	**6,003**	8,997	47,012
Repairs	6,000	6,000	**38**	5,962	264
Fuel	3,300	3,300	**2,270**	1,030	1,425
Water purchased	200,000	200,000	**132,525**	67,475	134,372
Water augmentation	3,000	3,000	**-**	3,000	-
Water assessments	25,000	25,000	**10,084**	14,916	19,048
Monitoring and testing	5,000	5,000	**1,161**	3,839	2,377
System maintenance	25,000	25,000	**11,495**	13,505	3,423
Total System Operation & Maintenance	380,400	380,400	**251,392**	129,008	268,180
Administrative & General:					
Salaries	45,000	45,000	**24,590**	20,410	32,844
Payroll taxes	4,000	4,000	**1,930**	2,070	2,581
Retirement	1,350	1,350	**747**	603	993
Health insurance	19,000	19,000	**19,668**	(668)	16,460
Audit and accounting	10,000	10,000	**8,269**	1,731	6,179
Supplies	12,250	12,250	**989**	11,261	1,980
Insurance	6,000	6,000	**6,976**	(976)	5,239
Legal	10,000	10,000	**3,686**	6,314	8,142
Advertising and legal notices	5,000	5,000	**-**	5,000	3,156
Telephone and postage	5,500	5,500	**4,922**	578	3,450
Utilities	4,500	4,500	**7,622**	(3,122)	2,573
Miscellaneous	-	-	**323**	(323)	2,904
Uniforms	1,500	1,500	**647**	853	-
Subscriptions and memberships	2,000	2,000	**259**	1,741	-
Hospitality	2,000	2,000	**-**	2,000	-
Training	2,000	2,000	**-**	2,000	-
Engineering	10,000	10,000	**3,982**	6,018	1,733
Outside services	5,000	5,000	**3,606**	1,394	235
Fuel	-	-	**840**	(840)	2
IT service	11,000	11,000	**12,163**	(1,163)	8,408
Software maintenance	6,000	6,000	**15,960**	(9,960)	2,111
Reserved	21,400	21,400	**-**	21,400	-
Total Administrative & General	183,500	183,500	**117,179**	66,321	98,990
Total Operating Expenditures	563,900	563,900	**368,571**	195,329	367,170
Non-Operating Expenditures:					
Capital outlay	104,950	104,950	**49,268**	55,682	560,728
Total Non-Operating Expenditures	104,950	104,950	**49,268**	55,682	560,728
Total Expenditures	$ 668,850	$ 668,850	**$ 417,839**	$ 251,011	$ 927,898

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 353,000	$ 353,000	**$ 330,057**	$ (22,943)	$ 350,814
Non-operating revenues	13,005	13,005	**15,619**	2,614	18,792
Miscellaneous revenues	104,950	104,950	**-**	(104,950)	540,000
Total Revenues	470,955	470,955	**345,676**	(125,279)	909,606
Expenditures:					
System operation & maintenance	380,400	380,400	**251,392**	129,008	268,180
Administrative & general	183,500	183,500	**117,179**	66,321	98,990
Capital outlay	104,950	104,950	**49,268**	55,682	560,728
Total Expenditures	668,850	668,850	**417,839**	251,011	927,898
Excess (Deficiency) of Revenues over Expenditures	$ (197,895)	$ (197,895)	**(72,163)**	$ 125,732	$ (18,292)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**49,268**		
Depreciation expense			**(52,181)**		
Change in Net Position			**$ (75,076)**		

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2023

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 283,000	$ 283,000	**$ 368,337**	$ 85,337	$ 367,647
Tap Fees	-	-	**-**	-	4,300
Total Operating Revenues	283,000	283,000	**368,337**	85,337	371,947
Non-Operating Revenues:					
Interest on investments	1,000	1,000	**26,983**	25,983	7,530
Other revenue	3,000	3,000	**7,652**	4,652	9,639
Total Non-Operating Revenues	4,000	4,000	**34,635**	30,635	17,169
Miscellaneous Income:					
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Total Revenues	$ 287,000	$ 287,000	**$ 402,972**	$ 115,972	$ 389,116

TOWN OF PIERCE, COLORADO

Schedule of Expenditures
Budget to Actual - ***Sewer Fund***
Year Ended December 31, 2023
With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	2022
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 45,000	$ 45,000	**$ 42,785**	$ 2,215	$ 30,982
Payroll taxes	3,500	3,500	**3,357**	143	2,435
Retirement	1,350	1,350	**1,237**	113	893
Health insurance	-	-	**-**	-	-
Supplies	7,000	7,000	**13,553**	(6,553)	6,732
Insurance	8,000	8,000	**4,639**	3,361	7,181
Legal	2,500	2,500	**-**	2,500	-
Telephone and postage	-	-	**-**	-	-
Utilities	35,000	35,000	**26,553**	8,447	25,548
Miscellaneous	500	500	**-**	500	798
Engineering	5,000	5,000	**164**	4,836	270
Outside services	40,000	40,000	**7,181**	32,819	30,058
Repairs	2,000	2,000	**776**	1,224	129
Fuel	3,300	3,300	**1,522**	1,778	1,667
Monitoring and testing	50,000	50,000	**31,384**	18,616	14,540
System maintenance	250,000	250,000	**177,906**	72,094	197,019
Total System Operation & Maintenance	453,150	453,150	**311,057**	142,093	318,252
Administrative & General:					
Salaries	45,000	45,000	**24,092**	20,908	32,386
Payroll taxes	4,000	4,000	**1,891**	2,109	2,545
Retirement	1,350	1,350	**731**	619	978
Health insurance	14,000	14,000	**11,239**	2,761	14,283
Audit and accounting	5,000	5,000	**4,725**	275	3,183
Supplies	10,000	10,000	**4,117**	5,883	4,166
Insurance	3,000	3,000	**4,862**	(1,862)	2,646
Legal	2,000	2,000	**1,800**	200	104
Advertising and legal notices	500	500	**-**	500	198
Codification ordinances	-	-	**-**	-	-
Telephone and postage	5,500	5,500	**2,812**	2,688	3,210
Utilities	4,000	4,000	**9,133**	(5,133)	1,570
Travel and transportation	500	500	**-**	500	-
Miscellaneous	6,000	6,000	**57**	5,943	1,370
Uniforms	1,000	1,000	**398**	602	-
Subscriptions and memberships	1,000	1,000	**212**	788	-
Hospitality	1,000	1,000	**-**	1,000	-
Training	2,000	2,000	**-**	2,000	-
Engineering	5,000	5,000	**4,906**	94	730
Outside services	5,000	5,000	**4,394**	606	1,796
Fuel	-	-	**480**	(480)	2
IT service	6,000	6,000	**6,950**	(950)	6,903
Software maintenance	3,000	3,000	**2,896**	104	2,901
Reserved	1,400	1,400	**-**	1,400	-
Total Administrative & General	126,250	126,250	**85,695**	40,555	78,971
Total Operating Expenditures	579,400	579,400	**396,752**	182,648	397,223
Non-Operating Expenditures:					
Capital outlay	-	-	**8,950**	(8,950)	35,877
Total Non-Operating Expenditures	-	-	**8,950**	(8,950)	35,877
Total Expenditures	$ 579,400	$ 579,400	**$ 405,702**	$ 173,698	$ 433,100

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2023

With Comparative Actual Amounts For the Year Ended December 31, 2022

	2023				
	Budget			Variance - Favorable	**2022**
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 283,000	$ 283,000	**$ 368,337**	$ 85,337	$ 371,947
Non-operating revenues	4,000	4,000	**34,635**	30,635	17,169
Miscellaneous revenues	-	-	**-**	-	-
Total Revenues	287,000	287,000	**402,972**	115,972	389,116
Expenditures:					
System operations & maintenance	453,150	453,150	**311,057**	142,093	318,252
Administrative & general	126,250	126,250	**85,695**	40,555	78,971
Non-operating	-	-	**8,950**	(8,950)	35,877
Total Expenditures	579,400	579,400	**405,702**	173,698	433,100
Excess (Deficiency) of Revenues over Expenditures	$ (292,400)	$ (292,400)	**(2,730)**	$ 289,670	$ (43,984)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**8,950**		
Depreciation expense			**(63,565)**		
Change in Net Position			**$ (57,345)**		

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

Form Approved
OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23
This Information From The Records Of: TOWN OF PIERCE, COLORADO	Prepared By: 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	$ 566,671.00
3. Other local imposts (from page 2)	$ 12,228.00
4. Miscellaneous local receipts (from page 2)	$ -
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.)	$ -
7. Total (1 through 6)	$ 578,899.00
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 57,167.00
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 636,066.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 543,929.00
2. Maintenance:	$ 47,429.00
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other **STREET LIGHTING**	$ 16,259.00
d. Total (a. through c.)	$ 16,259.00
4. General administration & miscellaneous	
5. Highway law enforcement and safety	$ 28,449.00
6. Total (1 through 5)	$ 636,066.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 636,066.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	$ -	$ 636,066.00	$ 636,066.00		$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

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 Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 12,228.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 12,228.00	h. Other	
c. Total (a. + b.)	$ 12,228.00	i. Total (a. through h.)	$ -
(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 (from Item I.C.5.)	$ 50,850.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 6,317.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	$ 6,317.00	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 57,167.00	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation			$ -
(4). System Enhancement And Operation		$ 543,929.00	$ 543,929.00
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 543,929.00	$ 543,929.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 543,929.00	$ 543,929.00
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536