Annual Financial Report

Town of Pierce

Pierce, Colorado

For the Year Ended December 31, 2025

Tim Chavies & Associates, Inc.

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

TOWN OF PIERCE, COLORADO

Table of Contents

December 31, 2025

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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, 2025, 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, 2025, 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
July 3, 2026

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, 2025

This section of Town of Pierce, State of Colorado's (Town) 2025 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2025. 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 $243,048 during 2025, compared to $649,635 in 2024. The increase was due to property and sales tax increase, licenses and permits increase, and, contributions received.

- The Town capitalized $75,665 of capital assets, and recorded depreciation of $263,125 during 2025. In 2024 the Town capitalized $205,748 and recorded depreciation of $255,093.

- Total revenues for the governmental funds were $1,419,833 in 2025 compared to $1,524,539 in 2024, a decrease of $104,706 or 6.87%. Total expenditures were $1,039,730 in 2025 compared to $1,065,857 in 2024, a decrease of $26,127 or 2.45%.

- Total operating revenues for the proprietary funds were $852,813 in 2025 compared to $826,467 in 2024, an increase of $26,346 or 3.19%. Total operating expenditures were $896,062 in 2025 compared to $867,308 in 2024, an increase of $28,754 or 3.32%.

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, 2025:

	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 3,320,961	$ 1,388,837	$ 4,709,798
Noncurrent assets	1,948,473	6,558,275	8,506,748
Total Assets	**5,269,434**	**7,947,112**	**13,216,546**
Total Deferred Outflows	**-**	**-**	**-**
Current liabilities	11,297	60,791	72,088
Noncurrent liabilities	45,739	-	45,739
Total Liabilities	**57,036**	**60,791**	**117,827**
Unearned revenues - property taxes	364,518	-	364,518
Total Deferred Inflows	**364,518**	**-**	**364,518**
Net investment in capital assets	1,906,642	6,558,275	8,464,917
Restricted	219,752	-	219,752
Unrestricted	2,721,486	1,328,046	4,049,532
Total Net Position	**$ 4,847,880**	**$ 7,886,321**	**$ 12,734,201**

The restricted portion of net position ($219,752) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($4,049,532) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2025:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 105,488	$ 812,580	$ 918,068
Capital contributions	-	-	-
General Revenues:			
Taxes	1,064,658	-	1,064,658
Licenses and permits	15,893	-	15,893
Intergovermental revenues	107,051	-	107,051
Fines and forfeitures	27,015	-	27,015
Earnings on investment	66,414	48,185	114,599
Other	33,314	40,233	73,547
Total Revenues	**1,419,833**	**900,998**	**2,320,831**
Expenses:			
General government	360,439	-	360,439
Public safety	350,958	-	350,958
Public works	365,858	-	365,858
Health and welfare	-	-	-
Culture - recreation	104,003	-	104,003
Other	463	-	463
Water	-	464,178	464,178
Sewer	-	431,884	431,884
Total Expenses	**1,181,721**	**896,062**	**2,077,783**
Change in Net Position	**238,112**	**4,936**	**243,048**
Net Position - beginning	4,609,768	7,881,385	12,491,153
Net Position - ending	**$ 4,847,880**	**$ 7,886,321**	**$ 12,734,201**

Net position increased to $12,734,201, an increase of $243,048 from 2024. The increase due to property and sales tax increases, license and permit increases, and capital outlay of $75,665, less depreciation expense of $263,125.

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, 2025, the Town's governmental funds reported combined ending fund balances of $2,986,977 an increase of $380,103 in comparison with 2024. Approximately 86.05% of this total amount ($2,570,168) 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	-	3,206,165	3,206,165
Construction in progress	-	-	-
Utility systems	-	5,637,631	5,637,631
Buildings and improvements	2,239,549	-	2,239,549
Machinery and equipment	371,790	204,699	576,489
Total Capital Assets	**2,833,217**	**9,074,715**	**11,907,932**
Less: Accumulated depreciation	(923,149)	(2,516,440)	(3,439,589)
Net Capital Assets	**$ 1,910,068**	**$ 6,558,275**	**$ 8,468,343**

Capital assets – net of depreciation decreased $187,460 during 2025 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 2025, monthly payments were made on that debt. (See Note 9 for further discussion).

ECONOMIC FACTORS

The Pierce Sr. Center received another grant for upgrades to be made on the building at 221 W. Main.

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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 533,893	$ (4,250)	**$ 529,643**
Cash on deposit - Weld County Treasurer	7,773	-	**7,773**
Local government investment pools	2,329,886	1,267,957	**3,597,843**
Accounts receivable	83,611	116,818	**200,429**
Accrued interest receivable	-	-	**-**
Property taxes receivable	364,518	-	**364,518**
Prepaid expenses	1,280	8,312	**9,592**
Internal balances	-	-	**-**
Total Current Assets	3,320,961	1,388,837	**4,709,798**
Noncurrent Assets			
Restricted Assets:			
Local government investment pools	38,405	-	**38,405**
Capital Assets:			
Land	221,878	26,220	**248,098**
Water rights	-	3,206,165	**3,206,165**
Construction in progress	-	-	**-**
Utility systems	-	5,637,631	**5,637,631**
Buildings and improvements	2,239,549	-	**2,239,549**
Machinery and equipment	371,790	204,699	**576,489**
Total Capital Assets	2,833,217	9,074,715	**11,907,932**
Less: accumulated depreciation	(923,149)	(2,516,440)	**(3,439,589)**
Net Capital Assets	1,910,068	6,558,275	**8,468,343**
Total Noncurrents Assets	1,948,473	6,558,275	**8,506,748**
Total Assets	5,269,434	7,947,112	**13,216,546**
LIABILITIES			
Current Liabilities:			
Accounts payable	4,801	49,520	**54,321**
Payroll taxes payable	2,170	2,652	**4,822**
Accrued interest payable	6	-	**6**
Deposits	900	8,619	**9,519**
Current portion of long-term obligations	3,420	-	**3,420**
Total Current Liabilities	11,297	60,791	**72,088**
Noncurrent Liabilities:			
Compensated absences	45,739	-	**45,739**
Note payable - NCL governmental capital	3,420	-	**3,420**
Lease payable	-	-	**-**
Less: portion due within one year	(3,420)		**(3,420)**
Total Noncurrent Liabilities	45,739	-	**45,739**
Total Liabilities	57,036	60,791	**117,827**
DEFERRED INFLOWS			
Unearned revenue - property taxes	364,518	-	**364,518**
NET POSITION			
Net investment in capital assets	1,906,642	6,558,275	**8,464,917**
Restricted	219,752	-	**219,752**
Unrestricted	2,721,486	1,328,046	**4,049,532**
Total Net Position	**$ 4,847,880**	**$ 7,886,321**	**$ 12,734,201**

TOWN OF PIERCE, COLORADO

Statement of Activities

Government-Wide

December 31, 2025

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	$ (360,439)	$ -	$ -	$ (360,439)	$ -	**$ (360,439)**
Public safety	(350,958)	-	-	(350,958)	-	**(350,958)**
Public works	(365,858)	105,488	-	(260,370)	-	**(260,370)**
Health and welfare	-	-	-	-	-	**-**
Culture - recreation	(104,003)	-	-	(104,003)	-	**(104,003)**
Interest on long-term debt	(463)	-	-	(463)	-	**(463)**
Total Governmental Activities	(1,181,721)	105,488	-	(1,076,233)	-	**(1,076,233)**
Business-Type Activities:						
Water fund	(464,178)	406,696	-	-	(57,482)	**(57,482)**
Sewer fund	(431,884)	405,884	-	-	(26,000)	**(26,000)**
Total Business-Type Activities	(896,062)	812,580	-	-	(83,482)	**(83,482)**
Total Primary Government	$ (2,077,783)	$ 918,068	$ -	(1,076,233)	(83,482)	**(1,159,715)**
General Revenues:						
Taxes				1,064,658	-	**1,064,658**
Licenses and permits				15,893	-	**15,893**
Intergovernmental revenue				107,051	-	**107,051**
Fines and forfeitures				27,015	-	**27,015**
Miscellaneous income				33,314	40,233	**73,547**
Sale of assets				-	-	**-**
Grants				-	-	**-**
Insurance proceeds				-	-	**-**
Interest income				66,414	48,185	**114,599**
Transfers				-	-	**-**
Contributions				-	-	**-**
Total General Revenues				1,314,345	88,418	**1,402,763**
Change in Net Position				238,112	4,936	**243,048**
Net Position-beginning of year				4,609,768	7,881,385	**12,491,153**
Net Position-end of year				**$ 4,847,880**	**$ 7,886,321**	**$ 12,734,201**

TOWN OF PIERCE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2025

	General	Conservation Trust	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 533,893	$ -	$ 533,893
Cash on deposit - Weld County Treasurer	7,773	-	7,773
Local government investment pools	2,175,474	154,412	2,329,886
Accounts receivable	83,611	-	83,611
Accrued interest receivable	-	-	-
Property taxes receivable	364,518	-	364,518
Prepaid expenses	1,280	-	1,280
Due from other funds	14,244	-	14,244
Total Current Assets	3,180,793	154,412	3,335,205
Noncurrent Assets			
Restricted local government investment pools	38,405	-	38,405
Total Noncurrent Assets	38,405	-	38,405
Total Assets	$ 3,219,198	$ 154,412	$ 3,373,610
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 4,801	$ -	$ 4,801
Payroll taxes payable	2,170	-	2,170
Deposits	900	-	900
Due to other funds	-	14,244	14,244
Total Current Liabilities	7,871	14,244	22,115
Total Liabilities	7,871	14,244	22,115
DEFERRED INFLOWS			
Unearned revenue - property taxes	364,518	-	364,518
Total Liabilities & Deferred Inflows	372,389	14,244	386,633
FUND BALANCE			
Non-spendable - prepaids	1,280	-	1,280
Restricted:			
Tabor	41,179	-	41,179
Parks and recreation	-	140,168	140,168
SLRFR program	38,405	-	38,405
Committed - subsequent year's expenditures	195,777	-	195,777
Assigned	-	-	-
Unassigned	2,570,168	-	2,570,168
Total Fund Balance	2,846,809	140,168	2,986,977
Total Liabilities, Deferred Inflows & Fund Balance	$ 3,219,198	$ 154,412	$ 3,373,610

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	$ 2,986,977
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	2,833,217
Less: accumulated depreciation	(923,149)
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	(45,739)
Note payable	(3,420)
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	(6)
Net Position of Governmental Activities	$ 4,847,880

TOWN OF PIERCE, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2025

	General	Conservation Trust	Total
Revenues:			
Taxes	$ 1,064,658	$ -	**$ 1,064,658**
Licenses and permits	15,893	-	**15,893**
Intergovernmental revenue	93,928	13,123	**107,051**
Charges for services	105,488	-	**105,488**
Fines and forfeitures	27,015	-	**27,015**
Miscellaneous revenues	93,191	6,537	**99,728**
Total Revenues	1,400,173	19,660	**1,419,833**
Expenditures:			
General government	336,788	-	**336,788**
Public safety	350,958	-	**350,958**
Public works	248,275	-	**248,275**
Health and welfare	-	-	**-**
Culture - recreation	89,934	-	**89,934**
Debt service	13,775	-	**13,775**
Total Expenditures	1,039,730	-	**1,039,730**
Excess (Deficiency) of Revenues over Expenditures	360,443	19,660	**380,103**
Other Financing Sources (Uses):			
Sale of assets	-	-	**-**
Contributions	-	-	**-**
Insurance proceeds	-	-	**-**
Loan proceeds	-	-	**-**
Grants	-	-	**-**
Transfers in	15,000	-	**15,000**
Transfers out	-	(15,000)	**(15,000)**
Total Other Financing Sources (Uses)	15,000	(15,000)	**-**
Net Change in Fund Balance	375,443	4,660	**380,103**
Fund Balance - beginning of year (as restated)	2,471,366	135,508	**2,606,874**
Fund Balance - End of Year	**$ 2,846,809**	**$ 140,168**	**$ 2,986,977**

<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	**$ 380,103**
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	**-**
Depreciation expense	**(144,236)**
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	**13,318**
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	**(11,099)**
Accrued interest payable	**26**
Change in Net Position of Governmental Activities	**$ 238,112**

TOWN OF PIERCE, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2025

	Business-Type Activities		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ (75,720)	$ 71,470	**$ (4,250)**
Local government investment pools	488,748	779,209	**1,267,957**
Accounts receivable	51,375	65,443	**116,818**
Accrued interest receivable	-	-	**-**
Prepaid expenses	7,736	576	**8,312**
Due from other funds	-	-	**-**
Total Current Assets	472,139	916,698	**1,388,837**
Noncurrent Assets:			
Restricted Assets:			
Local government investment pools	-	-	**-**
Capital Assets:			
Land	2,273	23,947	**26,220**
Water rights	3,206,165	-	**3,206,165**
Construction in progress	-	-	**-**
Utility systems	2,725,594	2,912,037	**5,637,631**
Machinery and equipment	92,445	112,254	**204,699**
Total Capital Assets	6,026,477	3,048,238	**9,074,715**
Less: Accumulated depreciation	(1,261,749)	(1,254,691)	**(2,516,440)**
Net Capital Assets	4,764,728	1,793,547	**6,558,275**
Total Noncurrent Assets	4,764,728	1,793,547	**6,558,275**
Total Assets	5,236,867	2,710,245	**7,947,112**
LIABILITIES			
Current Liabilities:			
Accounts payable	16,674	32,846	**49,520**
Payroll taxes payable	1,688	964	**2,652**
Accrued interest payable	-	-	**-**
Deposits	8,619	-	**8,619**
Due to other funds	-	-	**-**
Total Current Liabilities	26,981	33,810	**60,791**
Total Liabilities	26,981	33,810	**60,791**
DEFERRED INFLOWS			
Unearned revenue	-	-	**-**
Total Liabilities & Deferred Inflows	26,981	33,810	**60,791**
NET POSITION			
Net investment in capital assets	4,764,728	1,793,547	**6,558,275**
Restricted	-	-	**-**
Unrestricted:			
Designated for subsequent year's expenditures	327,650	129,750	**457,400**
Undesignated	117,508	753,138	**870,646**
Total Net Position	**$ 5,209,886**	**$ 2,676,435**	**$ 7,886,321**

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, 2025

	Business-Type Activities		
	Water	Sewer	Total
Operating Revenues:			
Charges for services	$ 406,696	$ 405,884	**$ 812,580**
Other revenue	4,869	35,364	**40,233**
Total Operating Revenues	411,565	441,248	**852,813**
Operating Expenses:			
System Operation and Maintenance:			
Salaries	50,232	50,230	**100,462**
Payroll taxes	3,941	3,941	**7,882**
Retirement	1,488	1,488	**2,976**
Health insurance	7,612	7,612	**15,224**
Supplies	7,115	16,923	**24,038**
Insurance	-	-	**-**
Utilities	11,199	31,309	**42,508**
Miscellaneous	-	-	**-**
Engineering	-	-	**-**
Outside services	20,328	5,691	**26,019**
Fuel	-	-	**-**
Water purchased	149,706	-	**149,706**
Water assessments	16,744	-	**16,744**
Monitoring and testing	1,480	36,229	**37,709**
System maintenance	976	123,928	**124,904**
Total System Operation and Maintenance	270,821	277,351	**548,172**
Administrative and General:			
Salaries	38,575	38,036	**76,611**
Payroll taxes	3,028	2,985	**6,013**
Retirement	1,170	1,152	**2,322**
Health insurance	16,671	7,179	**23,850**
Audit and accounting	9,048	5,170	**14,218**
Supplies	737	844	**1,581**
Insurance	18,252	10,423	**28,675**
Legal	3,713	1,126	**4,839**
Advertising and legal notices	-	-	**-**
Telephone and postage	4,805	2,746	**7,551**
Utilities	5,736	1,382	**7,118**
Miscellaneous	604	120	**724**
Uniforms	411	235	**646**
Subscriptions and memberships	-	-	**-**
Hospitality	-	-	**-**
Training	2,378	1,359	**3,737**
Engineering	988	2,142	**3,130**
Outside services	468	2,604	**3,072**
Fuel	2,784	1,591	**4,375**
IT service	22,408	12,805	**35,213**
Software maintenance	3,389	1,937	**5,326**
Reserved	-	-	**-**
Total Administrative and General	135,165	93,836	**229,001**
Depreciation and Amortization	58,192	60,697	**118,889**
Total Operating Expenses	464,178	431,884	**896,062**
Operating Income (Loss)	(52,613)	9,364	**(43,249)**
Non-Operating Revenues (Expenses)			
Interest income	18,198	29,987	**48,185**
Sale of assets	-	-	**-**
Grant proceeds	-	-	**-**
Insurance proceeds	-	-	**-**
Total Non-Operating Revenues (Expenses)	18,198	29,987	**48,185**
Income (Loss) before contributions and transfers	(34,415)	39,351	**4,936**
Contributions	-	-	**-**
Transfers In (Out)	-	-	**-**
Change in Net Position	(34,415)	39,351	**4,936**
Net Position - beginning of year	5,244,301	2,637,084	**7,881,385**
Net Position - End of Year	**$ 5,209,886**	**$ 2,676,435**	**$ 7,886,321**

See accompanying notes to the basic financial statements

TOWN OF PIERCE, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2025

	Business-Type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 396,180	$ 403,186	**$ 799,366**
Cash payments to employees	(88,807)	(88,266)	**(177,073)**
Cash payments to suppliers	(308,528)	(279,403)	**(587,931)**
Other non-operating revenues	4,869	35,364	**40,233**
Internal activity - payments to other funds	-	-	**-**
Net Cash Flows From Operating Activities	3,714	70,881	**74,595**
Cash Flows From Non-Capital Financing Activities:			
Operating transfers in	-	-	**-**
Operating transfers out	-	-	**-**
Grants	-	-	**-**
Insurance proceeds	-	-	**-**
Net Cash Flows From Non-Capital Financing Activities	-	-	**-**
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(75,665)	-	**(75,665)**
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	(75,665)	-	**(75,665)**
Cash Flows From Investing Activities:			
Interest on investments	18,198	29,987	**48,185**
Net Cash Flows From Investing Activities	18,198	29,987	**48,185**
Net Increase (Decrease) in Cash and Cash Equivalents	(53,753)	100,868	**47,115**
Cash and Cash Equivalents - January 1	466,781	749,811	**1,216,592**
Cash and Cash Equivalents - December 31	**$ 413,028**	**$ 850,679**	**$ 1,263,707**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ (52,613)	$ 9,364	**$ (43,249)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	58,192	60,697	**118,889**
Changes in assets and liabilities:			
Receivables	(10,516)	(2,698)	**(13,214)**
Prepaid expenses	(467)	(71)	**(538)**
Due from other funds	-	-	**-**
Payables and other accrued expenses	9,118	3,589	**12,707**
Due to other funds	-	-	**-**
Net Cash Flows From Operating Activities	**$ 3,714**	**$ 70,881**	**$ 74,595**

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 102, *Certain Risk Disclosures*. This statement establishes and addresses financial reporting regarding certain concentrations or constraints and related events that have a substantial impact and negatively affect the level of service a government provides. Implementation had no impact to the Town's financial statements.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2025

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 1,476,675	$ -	$ 1,476,675
Conservation Trust Fund	15,000	-	15,000
Proprietary Funds			
Water Fund	698,005	-	698,005
Sewer Fund	463,650	-	463,650
Total Funds	$ 2,653,330	$ -	$ 2,653,330

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. The Town allows employees to accumulate unused vacation, sick, and compensatory benefits up to certain maximum hours. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not be used for time off or settled in cash. Accrued compensated absences are recognized as expenses when earned by the employees for the government-wide financial statements and the proprietary fund financial statements. Compensated absences are recognized as expenditures when paid in the governmental fund financial statements. 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.

Compensated absences liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at year end plus an additional amount for salary-related payments such as Social Security and Medicare taxes and Retirement Plan contributions computed using rates in effect at that date. The Town has recorded a liability of $45,739 at December 31, 2025.

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.

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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, 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	20 to 40
Machinery and equipment	5 to 10
Infrastructure	15 to 50
Utility systems	15 to 50

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity - Fund Balance (continued)

(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 formal 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.

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).

At an election held on April 4, 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).

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 $38,405 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	$ 533,893	$ (4,250)	$ 529,643
Cash with county treasurer	7,773	-	7,773
Investments: Local govt investment pools	2,329,886	1,267,957	3,597,843
Restricted: Local govt investment pools	38,405	-	38,405
Total	**$ 2,909,957**	**$ 1,263,707**	**$ 4,173,664**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 7,973	$ 200	$ 8,173
Bank accounts	533,693	(4,450)	529,243
Investments	2,368,291	1,267,957	3,636,248
Total	**$ 2,909,957**	**$ 1,263,707**	**$ 4,173,664**

Cash Deposits

As of December 31, 2025, the carrying amount of the Town's deposits was $529,243 and the corresponding bank balance was $549,644.

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

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

Investments

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

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

As of December 31, 2025, 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	$ 3,636,248	$ -	$ -	$ -	$ 3,636,248
Total		**$ 3,636,248**	**$ -**	**$ -**	**$ -**	**$ 3,636,248**

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, 2025.

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

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

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	$ 66,414	$ 48,185	$ 114,599
Net increase (decrease) in the fair value of investments	-	-	-
Total	**$ 66,414**	**$ 48,185**	**$ 114,599**

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	$ 1,280	$ -	$ 1,280
Restricted:			
Emergencies (TABOR Reserve)	41,179	-	41,179
Parks and recreation	-	140,168	140,168
SLRFR program	38,405	-	38,405
Total	79,584	140,168	219,752
Commited:			
Subsequent years expenditures	195,777	-	195,777
Unassigned:			
General Government	2,570,168	-	2,570,168
Total Fund Balances	**$ 2,846,809**	**$ 140,168**	**$ 2,986,977**

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, 2025, to be collected in the subsequent year, 2026 are accrued as a receivable as of December 31, 2025 and offset by a deferred revenue account.

The Town's property tax calendar for 2025 is as follows:

Lien Date	January 1, 2025
Levy Date	November 1, 2025
Tax bills mailed	January 1, 2026
First installment due	February 28, 2026
Second installment due	June 15, 2026
If paid in full, due	April 30, 2026
Tax sale – delinquent taxes	November 15, 2026

NOTE 6 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2025.

	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, 2025:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreicated				
Land	$ 221,878	$ -	$ -	$ 221,878
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	221,878	-	-	221,878
Capital Assets, being depreciated				
Buildings and improvements	2,239,549	-	-	2,239,549
Machinery and equipment	371,790	-	-	371,790
Total Capital Assets, being depreciated	2,611,339	-	-	2,611,339
Less: Accumulated Depreciation for:				
Buildings and improvements	(468,229)	(127,827)	-	(596,056)
Machinery and equipment	(310,684)	(16,409)	-	(327,093)
Total Accumulated Depreciation	(778,913)	(144,236)	-	(923,149)
Total Capital Assets, being depreciated - Net	1,832,426	(144,236)	-	1,688,190
Capital Assets - Net	$ 2,054,304	$ (144,236)	$ -	$ 1,910,068

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 12,584
Public Safety	-
Culture and recreation	14,069
Highways and streets	117,583
Total Depreciation Expense - Governmental Activities	$ 144,236

NOTE 7 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the Business-Type Activities as of December 31, 2025:

Business-Type Activities:	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreicated				
Land	$ 26,220	$ -	$ -	$ 26,220
Water rights	3,206,165	-	-	3,206,165
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	3,232,385	-	-	3,232,385
Capital Assets, being depreciated				
Utility systems	5,561,966	75,665	-	5,637,631
Machinery and equipment	204,699	-	-	204,699
Total Capital Assets, being depreciated	5,766,665	75,665	-	5,842,330
Less: Accumulated Depreciation for:				
Utility systems	(2,248,168)	(109,212)	-	(2,357,380)
Machinery and equipment	(149,383)	(9,677)	-	(159,060)
Total Accumulated Depreciation	(2,397,551)	(118,889)	-	(2,516,440)
Total Capital Assets, being depreciated - Net	3,369,114	(43,224)	-	3,325,890
Capital Assets - Net	$ 6,601,499	$ (43,224)	$ -	$ 6,558,275

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 58,192
Sewer fund	60,697
Total Depreciation Expense - Business-Type Activities	$ 118,889

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2025 is as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ 14,244	$ -	$ -	$ -
Conservation Trust Fund	-	14,244	-	-
Total Governmental Activities	14,244	14,244	-	-
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	$ 14,244	$ 14,244	$ -	$ -

Internal balances are reflected on the government-wide financial statements as the net between funds, as of December 31, 2025 that balance was $14,244. 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, 2025 is $3,420.

Other Debt and Line of Credit

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

Changes in Long-Term Obligations

	Beg Balance	Additions	Reductions	End Balance	Due Within One Year
Governmental Activities:					
NCL governmental capital	$ 16,738	$ -	$ (13,318)	$ 3,420	$ 3,420
Compensated absences	34,640	11,098 *	-	45,738	-
Total Governmental Activities	51,378	11,098	(13,318)	49,158	3,420
Business-Type Activities:					
Water Fund	-	-	-	-	-
Sewer Fund	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total	$ 51,378	$ 11,098	$ (13,318)	$ 49,158	$ 3,420

*The change in the compensated absences is presented as a net change. The Town believes that the current portion of compensated absences is negligible and is therefore not reported.

NOTE 10 – DEBT SERVICE REQUIREMENTS

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

Yead Ending December 31	Principal	Interest	Total
2026	$ 3,420	$ 25	$ 3,445
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
Total	**$ 3,420**	**$ 25**	**$ 3,445**

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, 2025, 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, 2025.

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 ($23,500 for the calendar year 2025). Catch-up contributions up to $7,500 for the calendar year 2025 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, 2025, the Town contributed $13,081.

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 $307,813 for 2025. 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 starting contract rate was $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 July 3, 2026, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On January 26, 2026, the Town purchased ten additional units of plant investment fee (ASPIT) from North Weld County Water District in the amount of $201,750 for additional water flow into the Town's Master Meter #1.

On May 4, 2026, the Town was awarded a grant from the Colorado Water Conservation Board in the amount of $47,008 for the Town's Water Efficiency Plan. This grant has a twenty-five percent matching requirement of $15,672, for a total project cost of $62,680.

On May 19, 2026, the Town was awarded a grant from the Colorado Department of Local Affairs in the amount of $56,250 for the Town's Housing Needs Assessment (HNAs) Project. This grant does not have a matching requirement.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Taxes:					
General property taxes	$ 351,075	$ 351,075	**$ 344,512**	$ (6,563)	$ 375,036
Delinquent property taxes	-	-	**584**	584	610
Specific ownership taxes	10,000	10,000	**14,223**	4,223	12,930
General sales and use taxes	375,000	375,000	**654,738**	279,738	635,941
Franchise taxes	40,000	40,000	**49,779**	9,779	46,303
Penalties and interest on delinquent taxes	100	100	**822**	722	281
Total Taxes	776,175	776,175	**1,064,658**	288,483	1,071,101
Licenses and Permits:					
Business	800	800	**1,050**	250	851
Non-business	30,000	30,000	**14,843**	(15,157)	51,799
Total Licenses and Permits	30,800	30,800	**15,893**	(14,907)	52,650
Intergovernmental Revenues:					
State Grants:					
Cigarette tax	800	800	**1,398**	598	1,249
Highway users tax	36,000	36,000	**61,150**	25,150	53,944
State Shared Revenues:					
Additional motor vehicle registration fees	9,500	9,500	**5,783**	(3,717)	6,279
Severance tax	40,000	40,000	**12,505**	(27,495)	39,157
Other Governmental Units:					
Weld County road and bridge funds	10,000	10,000	**13,092**	3,092	10,659
Total Intergovernmental Revenues	96,300	96,300	**93,928**	(2,372)	111,288
Charges for Services:					
Sanitation:					
Refuse collection charges	80,000	80,000	**99,956**	19,956	83,780
Health:					
Animal control	-	-	**-**	-	-
Drainage fee	10,000	10,000	**5,532**	(4,468)	5,505
Road impact fee	-	-	**-**	-	55,358
Total Charges for Services	90,000	90,000	**105,488**	15,488	144,643
Fines and Forfeitures - Court Fines	5,000	5,000	**27,015**	22,015	24,155
Miscellaneous Revenues:					
Earnings on investments	75,000	75,000	**59,877**	(15,123)	44,956
Other income	15,000	15,000	**33,314**	18,314	43,819
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Contributions	-	-	**-**	-	-
Grants	200,000	200,000	**-**	(200,000)	130,494
Total Miscellaneous Revenues	290,000	290,000	**93,191**	(196,809)	219,269
Total Revenues	**$ 1,288,275**	**$ 1,288,275**	**$ 1,400,173**	**$ 111,898**	**$ 1,623,106**

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance -	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	Favorable (Unfavorable)	Actual
General Government:					
Legislative:					
Council fees	$ 10,000	$ 10,000	**$ 5,600**	$ 4,400	$ 6,900
Payroll taxes	1,000	1,000	**429**	571	528
Total Legislative	11,000	11,000	**6,029**	4,971	7,428
Judicial:					
Municipal judge	3,000	3,000	**4,360**	(1,360)	3,135
Outside services	3,000	3,000	**2,000**	1,000	2,000
Total Judicial	6,000	6,000	**6,360**	(360)	5,135
Elections:					
Supplies	1,500	1,500	**4,494**	(2,994)	1,248
Legal	1,500	1,500	**6,804**	(5,304)	1,335
Advertising and legal notices	500	500	**-**	500	305
Telephone and postage	1,200	1,200	**624**	576	1,020
Miscellaneous	200	200	**-**	200	135
Outside services	1,000	1,000	**1,414**	(414)	960
Total Elections	5,900	5,900	**13,336**	(7,436)	5,003
Administration:					
Salaries	100,000	100,000	**94,410**	5,590	77,902
Payroll taxes	10,000	10,000	**7,409**	2,591	6,353
Retirement	5,000	5,000	**2,834**	2,166	2,327
Employee's health insurance	40,000	40,000	**10,408**	29,592	15,179
Audit and accounting	15,000	15,000	**11,632**	3,368	11,044
Treasurer's fees	5,000	5,000	**3,453**	1,547	3,759
Supplies	15,000	15,000	**9,182**	5,818	8,890
Insurance	30,000	30,000	**23,466**	6,534	21,526
Legal	30,000	30,000	**26,588**	3,412	25,573
Advertising and legal notices	8,000	8,000	**11,800**	(3,800)	6,731
Codification ordinances	2,000	2,000	**-**	2,000	1,805
Telephone and postage	7,500	7,500	**6,363**	1,137	6,913
Utilities	16,000	16,000	**8,530**	7,470	13,396
Travel and transportation	1,000	1,000	**-**	1,000	-
Miscellaneous	15,000	15,000	**2,740**	12,260	5,681
Uniforms	1,000	1,000	**1,398**	(398)	803
Subscriptions and memberships	2,000	2,000	**3,154**	(1,154)	1,425
Hospitality	1,500	1,500	**-**	1,500	500
Training	1,000	1,000	**5,521**	(4,521)	-
Engineering	10,000	10,000	**4,885**	5,115	5,194
Outside services	10,000	10,000	**8,231**	1,769	4,844
Repairs	10,000	10,000	**5,808**	4,192	9,463
Fuel	5,000	5,000	**3,579**	1,421	3,990
IT service	27,000	27,000	**28,811**	(1,811)	15,638
Software maintenance	18,000	18,000	**30,861**	(12,861)	7,350
Lease obligation	15,000	15,000	**-**	15,000	-
Capital outlay	200,000	200,000	**-**	200,000	3,713
Reserve	51,400	51,400	**-**	51,400	-
Total Administration	651,400	651,400	**311,063**	340,337	259,999
Planning and Zoning:					
Legal	500	500	**-**	500	-
Engineering	500	500	**-**	500	-
Total Planning and Zoning	1,000	1,000	**-**	1,000	-
Total General Government	675,300	675,300	**336,788**	338,512	277,565

(continued on next page)

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Public Safety: Police					
Police department contract	$ 315,000	$ 315,000	**$ 307,813**	$ 7,187	$ 296,955
Salaries	45,000	45,000	**29,912**	15,088	26,676
Payroll taxes	5,000	5,000	**2,347**	2,653	2,173
Retirement	3,000	3,000	**919**	2,081	823
Health insurance	3,000	3,000	**3,983**	(983)	2,508
Supplies	200	200	**-**	200	-
Legal	-	-	**-**	-	-
Gas and oil	-	-	**-**	-	-
Capital outlay	-	-	**-**	-	-
Total Police	371,200	371,200	**344,974**	26,226	329,135
Building inspections	18,000	18,000	**5,984**	12,016	21,840
Total Public Safety	389,200	389,200	**350,958**	38,242	350,975
Public Works: Highways and Streets					
Salaries	80,000	80,000	**78,923**	1,077	68,351
Payroll taxes	9,000	9,000	**6,192**	2,808	5,571
Retirement	4,000	4,000	**2,356**	1,644	2,074
Health insurance	6,500	6,500	**11,387**	(4,887)	7,077
Supplies	5,000	5,000	**4,901**	99	2,722
Legal	2,000	2,000	**-**	2,000	-
Insurance	-	-	**-**	-	-
Miscellaneous	-	-	**-**	-	-
Engineering	8,000	8,000	**56**	7,944	6,360
Outside services	8,000	8,000	**10,971**	(2,971)	15,400
Repairs	1,500	1,500	**382**	1,118	1,124
Fuel	-	-	**-**	-	-
Street lighting	20,000	20,000	**18,651**	1,349	21,282
System maintenance	2,500	2,500	**1,201**	1,299	614
Capital outlay	-	-	**-**	-	-
Total Highways and Streets	146,500	146,500	**135,020**	11,480	130,575
Sanitation: Waste Collection	85,000	85,000	**113,255**	(28,255)	78,159
Total Public Works	231,500	231,500	**248,275**	(16,775)	208,734
Health and Welfare - Animal Control	200	200	**-**	200	-
Culture - Recreation: Parks					
Salaries	56,000	56,000	**55,901**	99	47,727
Payroll taxes	6,000	6,000	**4,386**	1,614	3,891
Retirement	3,000	3,000	**1,674**	1,326	1,442
Health insurance	5,000	5,000	**7,898**	(2,898)	4,915
Supplies	2,000	2,000	**2,384**	(384)	1,477
Telephone and postage	1,200	1,200	**830**	370	1,039
Utilities	3,500	3,500	**1,864**	1,636	2,605
Miscellaneous	-	-	**54**	(54)	316
Engineering	7,000	7,000	**7,779**	(779)	-
Outside services	8,500	8,500	**7,164**	1,336	7,513
Fuel	-	-	**-**	-	-
System maintenance	2,500	2,500	**-**	2,500	979
Capital outlay	12,000	12,000	**-**	12,000	-
Total Culture - Recreation	106,700	106,700	**89,934**	16,766	71,904
Debt Service					
Principal	13,318	13,318	**13,318**	-	12,760
Interest	457	457	**457**	-	1,015
Total Debt Service	13,775	13,775	**13,775**	-	13,775
Total Expenditures	**$ 1,416,675**	**$ 1,416,675**	**$ 1,039,730**	**$ 376,945**	**$ 922,953**

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Taxes	$ 776,175	$ 776,175	**$ 1,064,658**	$ 288,483	$ 1,071,101
Licenses and permits	30,800	30,800	**15,893**	(14,907)	52,650
Intergovernmental revenues	96,300	96,300	**93,928**	(2,372)	111,288
Charges for services	90,000	90,000	**105,488**	15,488	144,643
Fines and forfeitures	5,000	5,000	**27,015**	22,015	24,155
Miscellaneous revenues	290,000	290,000	**93,191**	(196,809)	219,269
Total Revenues	1,288,275	1,288,275	**1,400,173**	111,898	1,623,106
Transfers In:					
Conservation Trust Fund	15,000	15,000	**15,000**	-	-
Total Transfers In	15,000	15,000	**15,000**	-	-
Total Revenues and Transfers In	1,303,275	1,303,275	**1,415,173**	111,898	1,623,106
Expenditures:					
General government	675,300	675,300	**336,788**	338,512	277,565
Public safety	389,200	389,200	**350,958**	38,242	350,975
Public works	231,500	231,500	**248,275**	(16,775)	208,734
Health and welfare	200	200	**-**	200	-
Culture - recreation	106,700	106,700	**89,934**	16,766	71,904
Debt service	13,775	13,775	**13,775**	-	13,775
Capital reserve	60,000	60,000	**-**	60,000	-
Total Expenditures	1,476,675	1,476,675	**1,039,730**	436,945	922,953
Transfers Out:					
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers Out	1,476,675	1,476,675	**1,039,730**	436,945	922,953
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ (173,400)	$ (173,400)	**375,443**	$ 548,843	$ 700,153
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		
Depreciation expense			**(144,236)**		
Sale of assets			**-**		
Long-term debt proceeds			**-**		
Long-term debt payments			**13,318**		
Compensated absences			**(11,099)**		
Lease obligation			**-**		
Accrued interest payable			**26**		
Change in Net Position			**$ 233,452**		

TOWN OF PIERCE, COLORADO

Budgetary Comparison Schedule

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

Non-GAAP Budgetary Basis	2025 Budget Original	2025 Budget Final	2025 Actual	2025 Variance - Favorable (Unfavorable)	2024 Actual
Revenues:					
Intergovernmental Revenue:					
State Grants:					
Conservation Trust Fund Apportionment	$ 10,000	$ 10,000	**$ 13,123**	$ 3,123	$ 13,429
Total Intergovernmental Revenue	10,000	10,000	**13,123**	3,123	13,429
Charges for Services:					
Culture-Recreation:					
Park Fee	-	-	**-**	-	11,476
Miscellaneous Revenues:					
Earnings on investments	10,000	10,000	**6,537**	(3,463)	7,022
Other revenue	-	-	**-**	-	-
Total Revenues	20,000	20,000	**19,660**	(340)	31,927
Expenditures:					
General Government:					
Miscellaneous	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	15,000	15,000	**15,000**	-	-
Total Transfers Out	15,000	15,000	**15,000**	-	-
Total Expenditures and Transfers Out	15,000	15,000	**15,000**	-	-
Excess (Deficit) of Revenues Over Expenditures and Transfers Out	$ 5,000	$ 5,000	**4,660**	$ (340)	$ 31,927
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		
Depreciation expense			**-**		
Change in Net Position			**$ 4,660**		

SUPPLEMENTAL INFORMATION

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 350,000	$ 350,000	**$ 399,878**	$ 49,878	$ 374,157
Water surcharges	100	100	**6,818**	6,718	1,713
Sale of water	-	-	**-**	-	-
Drainage fees	-	-	**-**	-	-
Tap fees	-	-	**-**	-	25,400
Total Operating Revenues	350,100	350,100	**406,696**	56,596	401,270
Non-Operating Revenues:					
Interest on investments	10,000	10,000	**18,198**	8,198	7,627
Transfer from other funds	-	-	**-**	-	-
Other revenue	12,000	12,000	**4,869**	(7,131)	13,089
Total Non-Operating Revenues	22,000	22,000	**23,067**	1,067	20,716
Miscellaneous Revenues:					
Contributions	-	-	**-**	-	60,000
Sale of assets	-	-	**-**	-	-
Grant proceeds	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	60,000
Total Revenues	**$ 372,100**	**$ 372,100**	**$ 429,763**	**$ 57,663**	**$ 481,986**

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 55,000	$ 55,000	**$ 50,232**	$ 4,768	$ 45,000
Payroll taxes	6,000	6,000	**3,941**	2,059	3,667
Retirement	3,000	3,000	**1,488**	1,512	1,377
Health insurance	4,000	4,000	**7,612**	(3,612)	4,718
Supplies	10,000	10,000	**7,115**	2,885	9,048
Insurance	-	-	**-**	-	-
Utilities	10,000	10,000	**11,199**	(1,199)	6,817
Travel and transportation	500	500	**-**	500	-
Miscellaneous	1,000	1,000	**-**	1,000	529
Engineering	1,000	1,000	**-**	1,000	-
Outside services	26,000	26,000	**20,328**	5,672	18,949
Repairs	500	500	**-**	500	-
Fuel	-	-	**-**	-	19
Water purchased	195,000	195,000	**149,706**	45,294	130,851
Water augmentation	1,500	1,500	**-**	1,500	-
Water assessments	20,000	20,000	**16,744**	3,256	13,985
Monitoring and testing	2,000	2,000	**1,480**	520	1,248
System maintenance	10,000	10,000	**976**	9,024	3,094
Total System Operation & Maintenance	345,500	345,500	**270,821**	74,679	239,302
Administrative & General:					
Salaries	43,000	43,000	**38,575**	4,425	31,583
Payroll taxes	5,000	5,000	**3,028**	1,972	2,576
Retirement	2,000	2,000	**1,170**	830	943
Health insurance	32,000	32,000	**16,671**	15,329	20,087
Audit and accounting	10,000	10,000	**9,048**	952	10,063
Supplies	3,000	3,000	**737**	2,263	1,724
Insurance	25,000	25,000	**18,252**	6,748	16,714
Legal	3,500	3,500	**3,713**	(213)	3,086
Advertising and legal notices	250	250	**-**	250	-
Telephone and postage	6,000	6,000	**4,805**	1,195	5,328
Utilities	15,000	15,000	**5,736**	9,264	9,664
Miscellaneous	2,500	2,500	**604**	1,896	1,846
Uniforms	800	800	**411**	389	624
Subscriptions and memberships	500	500	**-**	500	300
Hospitality	-	-	**-**	-	-
Training	500	500	**2,378**	(1,878)	-
Engineering	3,000	3,000	**988**	2,012	1,867
Outside services	3,000	3,000	**468**	2,532	1,085
Fuel	3,500	3,500	**2,784**	716	2,958
IT service	21,000	21,000	**22,408**	(1,408)	19,829
Software maintenance	14,000	14,000	**3,389**	10,611	6,917
Reserved	11,400	11,400	**-**	11,400	-
Total Administrative & General	204,950	204,950	**135,165**	69,785	137,194
Total Operating Expenditures	550,450	550,450	**405,986**	144,464	376,496
Non-Operating Expenditures:					
Capital outlay	147,555	147,555	**75,665**	71,890	63,322
Total Non-Operating Expenditures	147,555	147,555	**75,665**	71,890	63,322
Total Expenditures	**$ 698,005**	**$ 698,005**	**$ 481,651**	**$ 216,354**	**$ 439,818**

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 350,100	$ 350,100	**$ 406,696**	$ 56,596	$ 401,270
Non-operating revenues	22,000	22,000	**23,067**	1,067	20,716
Miscellaneous revenues	-	-	**-**	-	60,000
Total Revenues	372,100	372,100	**429,763**	57,663	481,986
Expenditures:					
System operation & maintenance	345,500	345,500	**270,821**	74,679	239,302
Administrative & general	204,950	204,950	**135,165**	69,785	137,194
Capital outlay	147,555	147,555	**75,665**	71,890	63,322
Total Expenditures	698,005	698,005	**481,651**	216,354	439,818
Excess (Deficiency) of Revenues over Expenditures	$ (325,905)	$ (325,905)	**(51,888)**	$ 274,017	$ 42,168
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**75,665**		
Depreciation expense			**(58,192)**		
Change in Net Position			**$ (34,415)**		

TOWN OF PIERCE, COLORADO

Schedule of Revenues

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Revenues:					
Charges for services	$ 350,000	$ 350,000	**$ 405,884**	$ 55,884	$ 385,317
Tap Fees	-	-	**-**	-	8,500
Total Operating Revenues	350,000	350,000	**405,884**	55,884	393,817
Non-Operating Revenues:					
Interest on investments	25,000	25,000	**29,987**	4,987	31,266
Other revenue	10,000	10,000	**35,364**	25,364	18,291
Total Non-Operating Revenues	35,000	35,000	**65,351**	30,351	49,557
Miscellaneous Income:					
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Insurance proceeds	-	-	**-**	-	-
Transfers In (Out)	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Total Revenues	**$ 385,000**	**$ 385,000**	**$ 471,235**	**$ 86,235**	**$ 443,374**

TOWN OF PIERCE, COLORADO

Schedule of Expenditures

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

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	2024
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Operating Expenditures:					
System Operation & Maintenance:					
Salaries	$ 55,000	$ 55,000	**$ 50,230**	$ 4,770	$ 45,000
Payroll taxes	6,000	6,000	**3,941**	2,059	3,667
Retirement	3,000	3,000	**1,488**	1,512	1,377
Health insurance	4,500	4,500	**7,612**	(3,112)	4,718
Supplies	5,000	5,000	**16,923**	(11,923)	3,764
Insurance	-	-	**-**	-	-
Legal	500	500	**-**	500	-
Utilities	30,000	30,000	**31,309**	(1,309)	28,521
Travel and transportation	500	500	**-**	500	-
Miscellaneous	500	500	**-**	500	-
Engineering	500	500	**-**	500	-
Outside services	12,000	12,000	**5,691**	6,309	5,173
Repairs	1,000	1,000	**-**	1,000	-
Fuel	-	-	**-**	-	11
Monitoring and testing	45,000	45,000	**36,229**	8,771	42,743
System maintenance	160,000	160,000	**123,928**	36,072	146,731
Total System Operation & Maintenance	323,500	323,500	**277,351**	46,149	281,705
Administrative & General:					
Salaries	40,000	40,000	**38,036**	1,964	31,050
Payroll taxes	4,500	4,500	**2,985**	1,515	2,532
Retirement	3,000	3,000	**1,152**	1,848	926
Health insurance	20,000	20,000	**7,179**	12,821	9,077
Audit and accounting	7,000	7,000	**5,170**	1,830	5,794
Supplies	4,000	4,000	**844**	3,156	3,231
Insurance	15,000	15,000	**10,423**	4,577	9,596
Legal	3,000	3,000	**1,126**	1,874	1,260
Advertising and legal notices	250	250	**-**	250	-
Codification ordinances	-	-	**-**	-	-
Telephone and postage	3,500	3,500	**2,746**	754	2,982
Utilities	5,000	5,000	**1,382**	3,618	185
Travel and transportation	500	500	-	500	-
Miscellaneous	1,000	1,000	**120**	880	835
Uniforms	1,000	1,000	**235**	765	357
Subscriptions and memberships	500	500	**-**	500	-
Hospitality	-	-	**-**	-	-
Training	500	500	**1,359**	(859)	308
Engineering	2,000	2,000	**2,142**	(142)	1,112
Outside services	5,000	5,000	**2,604**	2,396	3,859
Fuel	2,000	2,000	**1,591**	409	1,690
IT service	12,000	12,000	**12,805**	(805)	11,328
Software maintenance	9,000	9,000	**1,937**	7,063	3,952
Reserved	1,400	1,400	**-**	1,400	-
Total Administrative & General	140,150	140,150	**93,836**	46,314	90,074
Total Operating Expenditures	463,650	463,650	**371,187**	92,463	371,779
Non-Operating Expenditures:					
Capital outlay	-	-	**-**	-	1,898
Total Non-Operating Expenditures	-	-	**-**	-	1,898
Total Expenditures	**$ 463,650**	**$ 463,650**	**$ 371,187**	**$ 92,463**	**$ 373,677**

TOWN OF PIERCE, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis
Budget to Actual - ***Sewer Fund***
Year Ended December 31, 2025
With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
	Budget			Variance - Favorable	**2024**
Non-GAAP Budgetary Basis	Original	Final	**Actual**	(Unfavorable)	Actual
Revenues:					
Operating revenues	$ 350,000	$ 350,000	**$ 405,884**	$ 55,884	$ 393,817
Non-operating revenues	35,000	35,000	**65,351**	30,351	49,557
Miscellaneous revenues	-	-	**-**	-	-
Total Revenues	385,000	385,000	**471,235**	86,235	443,374
Expenditures:					
System operations & maintenance	323,500	323,500	**277,351**	46,149	281,705
Administrative & general	140,150	140,150	**93,836**	46,314	90,074
Non-operating	-	-	**-**	-	1,898
Total Expenditures	463,650	463,650	**371,187**	92,463	373,677
Excess (Deficiency) of Revenues over Expenditures	$ (78,650)	$ (78,650)	**100,048**	$ 178,698	$ 69,697
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**-**		
Depreciation expense			**(60,697)**		
Change in Net Position			**$ 39,351**		

Form Approved
OMB No. 2125-0032

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/25
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	$ 31,302.00
3. Other local imposts (from page 2)	$ 13,092.00
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)	$ 44,394.00
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 66,933.00
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 111,327.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ -
2. Maintenance:	$ 27,397.00
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other **STREET LIGHTING**	$ 18,651.00
d. Total (a. through c.)	$ 18,651.00
4. General administration & miscellaneous	
5. Highway law enforcement and safety	$ 65,279.00
6. Total (1 through 5)	$ 111,327.00
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)	$ 111,327.00

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
	$ -	$ 111,327.00	$ 111,327.00		$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/25

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	$ 13,092.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 13,092.00	h. Other	
c. Total (a. + b.)	$ 13,092.00	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.)	$ 61,150.00	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	$ 5,783.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	$ 5,783.00	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 66,933.00	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		$ -	$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ -	$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ -	$ -
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536