APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT	Town of Merino	For the Year Ended 12/31/2016 or fiscal year ended:
ADDRESS	206 Colorado Avenue P.O. Box 211 Merino, Colorado 80741	722.00
CONTACT PERSON	Heather Buchtel	
PHONE	970-522-1036	
EMAIL	merinogov@kci.net	
FAX	970-526-2110	

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with **knowledge of governmental accounting** and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least $100,000 but not more than $750,000, and that independent means someone who is separate from the entity.

NAME	Scott Szabo
TITLE	Certified Public Accountant
FIRM NAME (if applicable)	Lauer, Szabo & Associates, P.C.
ADDRESS	205 Main Street - P.O. Box 1886, Sterling, CO, 80751
PHONE	970-522-2218
DATE PREPARED (Must be Completed prior to Board approval)	March 26, 2017
RELATIONSHIP TO ENTITY	We are a firm of certified public accountants separate from the entity

PREPARER (SIGNATURE REQUIRED)

See Accountants' Compilation Report.

	YES	NO	If Yes, date filed:	
Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]	☐	☑		

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By Justin L. Smith at 11:15 am, Apr 06, 2017

See Accountants' Compilation Report.

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Please use this space to provide explanation of any items on this page

		Governmental Funds			Proprietary/Fiduciary Funds	
Line #	Description	General Fund	Streets Fund	Description	Water Fund	Sewer Fund
	Assets			Assets		
1-1	Cash & Cash Equivalents	$ 46,453	$ 4,011	Cash & Cash Equivalents	$ 57,437	$ 174,393
1-2	Investments	$ 19,852	$ 10,000	Investments	$ 5,000	$ 25,000
1-3	Receivables	$ 22,845	$ 1,014	Receivables	$ 12,000	$ 7,000
1-4	Due from Other Entities or Funds	$ -	$ 314	Due from Other Entities or Funds	$ 16,829	$ -
	All Other Assets (specify)			Other Current Assets	$ -	$ -
1-5		$ -	$ -	Total Current Assets	$ 91,266	$ 206,393
1-6		$ -	$ -	Capital Assets, net (from Part	$ 403,239	$ 265,154
1-7		$ -	$ -	Other Long Term Assets (specify)	$ -	$ -
1-8		$ -	$ -		$ -	$ -
1-9		$ -	$ -		$ -	$ -
1-10		$ -	$ -		$ -	$ -
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	$ 89,150	$ 15,339	(add lines 1-1 through 1-10) TOTAL ASSETS	$ 494,505	$ 471,547
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 89,150	$ 15,339	TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 494,505	$ 471,547
	Liabilities			Liabilities		
1-14	Accounts Payable	$ 1,172	$ 863	Accounts Payable	$ 9,318	$ 240
1-15	Accrued Payroll and Related Liabilities	$ 1,017	$ 73	Accrued Payroll and Related Liabilities	$ 1,191	$ 176
1-16	Accrued Interest Payable	$ -	$ -	Accrued Interest Payable	$ 166	$ -
1-17	Due to Other Entities or Funds	$ -	$ -	Due to Other Entities or Funds	$ -	$ 1,963
1-18	All Other Current Liabilities	$ -	$ -	All Other Current Liabilities	$ -	$ -
1-19	TOTAL CURRENT LIABILITIES	$ 2,189	$ 936	TOTAL CURRENT LIABILITIES	$ 10,675	$ 2,379
1-20	All Other Liabilities (specify)	$ -	$ -	Proprietary Debt Outstanding (from Part 4-4)	$ 99,994	$ -
1-21		$ -	$ -	Other Liabilities (specify)	$ -	$ -
1-22		$ -	$ -		$ -	$ -
1-23		$ -	$ -		$ -	$ -
1-24		$ -	$ -		$ -	$ -
1-25		$ -	$ -		$ -	$ -
1-26		$ -	$ -		$ -	$ -
1-27		$ -	$ -		$ -	$ -
1-28	(add lines 1-19 through 1-27) TOTAL LIABILITIES	$ 2,189	$ 936	(add lines 1-19 through 1-27) TOTAL LIABILITIES	$ 110,669	$ 2,379
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	$ 21,470	$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -
	Fund Balance			Net Position		
1-30	Nonspendable Prepaid	$ -	$ -	Net Investment in Capital Assets	$ 303,245	$ 265,154
1-31	Nonspendable Inventory	$ -	$ -			
1-32	Restricted (specify) TABOR	$ 3,300	$ -	Emergency Reserves	$ -	$ -
1-33	Committed (specify) Streets	$ 26,469	$ 14,403	Other Designations/Reserves	$ -	$ -
1-34	Assigned (specify)	$ -	$ -	Restricted	$ -	$ -
1-35	Unassigned:	$ 35,722	$ -	Undesignated/Unreserved/Unrestricted	$ 80,591	$ 204,014
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	$ 65,491	$ 14,403	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	$ 383,836	$ 469,168
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ 89,150	$ 15,339	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 494,505	$ 471,547

See Accountants' Compilation Report.

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds: General Fund	Governmental Funds: Streets Fund	Description	Proprietary/Fiduciary Funds: Water Fund	Proprietary/Fiduciary Funds: Sewer Fund
	Tax Revenue			Tax Revenue		
2-1	Property	$ 21,525	$ -	Property	$ -	$ -
2-2	Specific Ownership	$ -	$ 2,344	Specific Ownership	$ -	$ -
2-3	Sales and Use Tax	$ -	$ -	Sales and Use Tax	$ -	$ -
2-4	Other Tax Revenue (specify):	$ -	$ -	Other Tax Revenue (specify):	$ -	$ -
2-5	Franchise Taxes	$ 12,528	$ -		$ -	$ -
2-6	Severance Taxes	$ 1,280	$ -		$ -	$ -
2-7	Other Taxes	$ 51	$ 2,959		$ -	$ -
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	$ 35,384	$ 5,303	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	$ -	$ -
2-9	Licenses and Permits	$ 150	$ -	Licenses and Permits	$ -	$ -
2-10	Highway Users Tax Funds (HUTF)	$ -	$ 13,062	Highway Users Tax Funds (HUTF)	$ -	$ -
2-11	Conservation Trust Funds (Lottery)	$ -	$ -	Conservation Trust Funds (Lottery)	$ -	$ -
2-12	Community Development Block Grant	$ -	$ -	Community Development Block Grant	$ -	$ -
2-13	Fire & Police Pension	$ -	$ -	Fire & Police Pension	$ -	$ -
2-14	Grants	$ -	$ -	Grants	$ -	$ 20,472
2-15	Donations	$ -	$ -	Donations	$ -	$ -
2-16	Charges for Sales and Services	$ -	$ -	Charges for Sales and Services	$ 99,548	$ 50,861
2-17	Rental Income	$ 7,784	$ -	Rental Income	$ -	$ -
2-18	Fines and Forfeits	$ -	$ -	Fines and Forfeits	$ -	$ -
2-19	Interest/Investment Income	$ 39	$ 5	Interest/Investment Income	$ -	$ 32
2-20	Tap Fees	$ -	$ -	Tap Fees	$ -	$ -
2-21	Developer Advances	$ -	$ -	Developer Advances	$ -	$ -
2-22	All Other (specify):	$ -	$ -	All Other (specify):	$ -	$ -
2-23	Miscellaenous Revenues	$ 5,723	$ 3,176		$ -	$ -
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	$ 49,080	$ 21,546	Add lines 2-8 through 2-23 TOTAL REVENUES	$ 99,548	$ 71,365
	Other Financing Sources			Other Financing Sources		
2-25	Debt Proceeds	$ -	$ -	Debt Proceeds	$ -	$ -
2-26	Proceeds from Sale of Capital Assets	$ -	$ -	Proceeds from Sale of Capital Assets	$ -	$ -
2-27	Other (specify):	$ -	$ -	Other (specify):	$ -	$ -
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	$ -	$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	$ -	$ -
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 49,080	$ 21,546	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 99,548	$ 71,365

Please use this space to provide explanation of any items on this page

GRAND TOTALS $ 241,539

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than $750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

See Accountants' Compilation Report.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Line #	Description	Governmental Funds: General Fund	Governmental Funds: Streets Fund	Description	Proprietary/Fiduciary Funds: Water Fund	Proprietary/Fiduciary Funds: Sewer Fund
	Expenditures			Expenditures		
3-1	General Government	$ 40,261	$ -	General Operating & Administrative	$ 3,179	$ 991
3-2	Judicial	$ -	$ -	Salaries	$ 11,843	$ 4,428
3-3	Law Enforcement	$ -	$ -	Payroll Taxes	$ 3,038	$ 1,760
3-4	Fire	$ -	$ -	Contract Services	$ 8,815	$ 3,568
3-5	Highways & Streets	$ -	$ 15,339	Employee Benefits	$ -	$ -
3-6	Solid Waste	$ -	$ -	Insurance	$ 2,465	$ 1,484
3-7	Contributions to Fire & Police Pension Assoc.	$ -	$ -	Accounting and Legal Fees	$ 2,385	$ 857
3-8	Health	$ -	$ -	Repair and Maintenance	$ 13,576	$ 8,761
3-9	Culture and Recreation	$ 6,475	$ -	Supplies	$ 13,520	$ 1,746
3-10	Other (specify):	$ -	$ -	Utilities	$ 8,693	$ 1,379
3-11		$ -	$ -	Contributions to Fire & Police Pension Assoc.	$ -	$ -
3-12		$ -	$ -	Other (specify) Permits	$ 3,300	$ 3,725
3-13		$ -	$ -	Assessments	$ 2,213	$ -
3-14	Capital Outlay	$ -	$ 325	Capital Outlay	$ 110,743	$ 13,523
	Debt Service			Debt Service		
3-15	Principal	$ -	$ -	Principal	$ 3,280	$ -
3-16	Interest	$ -	$ -	Interest	$ 1,019	$ -
3-17	Bond Issuance Costs	$ -	$ -	Bond Issuance Costs	$ -	$ -
3-18	Developer Principal Repayments	$ -	$ -	Developer Principal Repayments	$ -	$ -
3-19	Developer Interest Repayments	$ -	$ -	Developer Interest Repayments	$ -	$ -
3-20	All Other (specify):	$ -	$ -	All Other (specify):	$ -	$ -
3-21		$ -	$ -		$ -	$ -
3-22	Add lines 3-1 through 3-21 **TOTAL EXPENDITURES**	$ 46,756	$ 15,664	Add lines 3-1 through 3-21 **TOTAL EXPENDITURES**	$ 188,069	$ 42,222
3-23	Interfund Transfers (In)	$ -	$ -	Net Interfund Transfers (In)	$ -	$ -
3-24	Interfund Transfers Out	$ 6,905	$ -	Net Interfund Transfers Out	$ -	$ -
3-25	Other Expenditures (Revenues):	$ -	$ -	Depreciation	$ 5,428	$ 3,043
3-26		$ -	$ -	Other Financing Sources (Uses) (from line 2-28)	$ -	$ -
3-27		$ -	$ -	Capital Outlay (from line 3-14)	$ 110,743	$ 13,523
3-28		$ -	$ -	Debt Principal (from line 3-15)	$ 3,280	$ -
3-29	(Add lines 3-23 through 3-28) **TOTAL TRANSFERS AND OTHER EXPENDITURES**	$ 6,905	$ -	(Line 3-26, plus line 3-27, less line 3-24, less line 3-25) **TOTAL GAAP RECONCILING ITEMS**	$ 108,595	$ 10,480
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 3-29, less line 3-22, plus line 3-29	$ (4,581)	$ 5,882	Net Increase (Decrease) in Net Position Line 3-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-23	$ 20,074	$ 39,623
3-31	Fund Balance, January 1 from December 31 prior year report	$ 70,072	$ 8,521	Net Position, January 1 from December 31 prior year report	$ 363,762	$ 429,545
3-32	Prior Period Adjustment **(MUST explain)**	$ -	$ -	Prior Period Adjustment **(MUST explain)**	$ -	$ -
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 **This total should be the same as line 1-36.**	$ 65,491	$ 14,403	Net Position, December 31 Line 3-30 plus line 3-31 **This total should be the same as line 1-36.**	$ 383,836	$ 469,168

Please use this space to provide explanation of any items on this page

GRAND TOTAL
$ 292,711

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than $750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

See Accountants' Compilation Report.

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Governmental Funds

Line #	Description	Conservation Trust Fund	Fire Department Fund
	Assets		
1-1	Cash & Cash Equivalents	$ 5,851	$ 10,860
1-2	Investments	$ -	$ -
1-3	Receivables	$ -	$ 2,083
1-4	Due from Other Entities or Funds	$ -	$ -
	All Other Assets (specify)		
1-5		$ -	$ -
1-6		$ -	$ -
1-7		$ -	$ -
1-8		$ -	$ -
1-9		$ -	$ -
1-10		$ -	$ -
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	$ 5,851	$ 12,943
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 5,851	$ 12,943
	Liabilities		
1-14	Accounts Payable	$ -	$ 725
1-15	Accrued Payroll and Related Liabilities	$ -	$ -
1-16	Accrued Interest Payable	$ -	$ -
1-17	Due to Other Entities or Funds	$ -	$ 16,829
1-18	All Other Current Liabilities	$ -	$ -
1-19	TOTAL CURRENT LIABILITIES	$ -	$ 17,554
1-20	All Other Liabilities (specify)	$ -	$ -
1-21		$ -	$ -
1-22		$ -	$ -
1-23		$ -	$ -
1-24		$ -	$ -
1-25		$ -	$ -
1-26		$ -	$ -
1-27		$ -	$ -
1-28	(add lines 1-19 through 1-27) TOTAL LIABILITIES	$ -	$ 17,554
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -
	Fund Balance		
1-30	Nonspendable Prepaid	$ -	$ -
1-31	Nonspendable Inventory	$ -	$ -
1-32	Restricted (specify) Culture and Recreation	$ 5,851	$ -
1-33	Committed (specify)	$ -	$ -
1-34	Assigned (specify)	$ -	$ -
1-35	Unassigned:	$ -	$ (4,611)
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	$ 5,851	$ (4,611)
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ 5,851	$ 12,943

Proprietary/Fiduciary Funds

Description	Fire Pension Fund	Fund*
Assets		
Cash & Cash Equivalents	$ 29,632	$ -
Investments	$ -	$ -
Receivables	$ -	$ -
Due from Other Entities or Funds	$ -	$ -
Other Current Assets	$ -	$ -
Total Current Assets	$ 29,632	$ -
Capital Assets, net (from Part	$ -	$ -
Other Long Term Assets (specify)	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
(add lines 1-1 through 1-10) TOTAL ASSETS	$ 29,632	$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 29,632	$ -
Liabilities		
Accounts Payable	$ -	$ -
Accrued Payroll and Related Liabilities	$ -	$ -
Accrued Interest Payable	$ -	$ -
Due to Other Entities or Funds	$ -	$ -
All Other Current Liabilities	$ -	$ -
TOTAL CURRENT LIABILITIES	$ -	$ -
Proprietary Debt Outstanding (from Part 4-4)	$ -	$ -
Other Liabilities (specify)	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
	$ -	$ -
(add lines 1-19 through 1-27) TOTAL LIABILITIES	$ -	$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -
Net Position		
Net Investment in Capital Assets	$ -	$ -
Emergency Reserves	$ -	$ -
Other Designations/Reserves	$ -	$ -
Restricted	$ 29,632	$ -
Undesignated/Unreserved/Unrestricted	$ -	$ -
Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	$ 29,632	$ -
Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 29,632	$ -

Please use this space to provide explanation of any items on this page

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Governmental Funds

Line #	Description	Conservation Trust Fund	Fire Department Fund
	Tax Revenue		
2-1	Property	$ -	$ -
2-2	Specific Ownership	$ -	$ -
2-3	Sales and Use Tax	$ -	$ -
2-4	Other Tax Revenue (specify):	$ -	$ -
2-5	City Participation	$ -	$ 25,000
2-6		$ -	$ -
2-7		$ -	$ -
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	$ -	$ 25,000
2-9	Licenses and Permits	$ -	$ -
2-10	Highway Users Tax Funds (HUTF)	$ -	$ -
2-11	Conservation Trust Funds (Lottery)	$ 2,380	$ -
2-12	Community Development Block Grant	$ -	$ -
2-13	Fire & Police Pension	$ -	$ -
2-14	Grants	$ -	$ 42,100
2-15	Donations	$ -	$ 900
2-16	Charges for Sales and Services	$ -	$ -
2-17	Rental Income	$ -	$ -
2-18	Fines and Forfeits	$ -	$ -
2-19	Interest/Investment Income	$ 3	$ 19
2-20	Tap Fees	$ -	$ -
2-21	Developer Advances	$ -	$ -
2-22	All Other (specify): Miscellaneous	$ -	$ 2,889
2-23	Reimbursements	$ 6,475	$ 3,973
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	$ 8,858	$ 74,881
	Other Financing Sources		
2-25	Debt Proceeds	$ -	$ -
2-26	Proceeds from Sale of Capital Assets	$ -	$ -
2-27	Other (specify):	$ -	$ -
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	$ -	$ -
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 8,858	$ 74,881

Proprietary/Fiduciary Funds

Line #	Description	Fire Pension Fund	Fund*
	Tax Revenue		
2-1	Property	$ -	$ -
2-2	Specific Ownership	$ -	$ -
2-3	Sales and Use Tax	$ -	$ -
2-4	Other Tax Revenue (specify):	$ -	$ -
2-5		$ -	$ -
2-6		$ -	$ -
2-7		$ -	$ -
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	$ -	$ -
2-9	Licenses and Permits	$ -	$ -
2-10	Highway Users Tax Funds (HUTF)	$ -	$ -
2-11	Conservation Trust Funds (Lottery)	$ -	$ -
2-12	Community Development Block Grant	$ -	$ -
2-13	Fire & Police Pension	$ -	$ -
2-14	Grants	$ -	$ -
2-15	Donations	$ -	$ -
2-16	Charges for Sales and Services	$ -	$ -
2-17	Rental Income	$ -	$ -
2-18	Fines and Forfeits	$ -	$ -
2-19	Interest/Investment Income	$ 29	$ -
2-20	Tap Fees	$ -	$ -
2-21	Developer Advances	$ -	$ -
2-22	All Other (specify):	$ -	$ -
2-23	Town Contributions	$ 3,500	$ -
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	$ 3,529	$ -
	Other Financing Sources		
2-25	Debt Proceeds	$ -	$ -
2-26	Proceeds from Sale of Capital Assets	$ -	$ -
2-27	Other (specify):	$ -	$ -
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	$ -	$ -
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 3,529	$ -

Please use this space to provide explanation of any items on this page

GRAND TOTALS $ 87,268

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than $750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

See Accountants' Compilation Report.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Line #	Description	Governmental Funds: Conservation Trust Fund	Governmental Funds: Fire Department Fund	Description	Proprietary/Fiduciary Funds: Fire Pension Fund	Proprietary/Fiduciary Funds: Fund*
	Expenditures			Expenditures		
3-1	General Government	$ -	$ -	General Operating & Administrative	$ -	$ -
3-2	Judicial	$ -	$ -	Salaries	$ -	$ -
3-3	Law Enforcement	$ -	$ -	Payroll Taxes	$ -	$ -
3-4	Fire	$ -	$ 57,462	Contract Services	$ -	$ -
3-5	Highways & Streets	$ -	$ -	Employee Benefits	$ -	$ -
3-6	Solid Waste	$ -	$ -	Insurance	$ -	$ -
3-7	Contributions to Fire & Police Pension Assoc.	$ -	$ -	Accounting and Legal Fees	$ -	$ -
3-8	Health	$ -	$ -	Repair and Maintenance	$ -	$ -
3-9	Culture and Recreation	$ 5,007	$ -	Supplies	$ -	$ -
3-10	Other (specify)	$ -	$ -	Utilities	$ -	$ -
3-11		$ -	$ -	Contributions to Fire & Police Pension Assoc.	$ -	$ -
3-12		$ -	$ -	Other (specify)	$ -	$ -
3-13		$ -	$ -		$ -	$ -
3-14	Capital Outlay	$ 325	$ 43,030	Capital Outlay	$ -	$ -
	Debt Service			Debt Service		
3-15	Principal	$ -	$ -	Principal	$ -	$ -
3-16	Interest	$ -	$ -	Interest	$ -	$ -
3-17	Bond Issuance Costs	$ -	$ -	Bond Issuance Costs	$ -	$ -
3-18	Developer Principal Repayments	$ -	$ -	Developer Principal Repayments	$ -	$ -
3-19	Developer Interest Repayments	$ -	$ -	Developer Interest Repayments	$ -	$ -
3-20	All Other (specify)	$ -	$ -	All Other (specify)	$ -	$ -
3-21		$ -	$ -		$ -	$ -
3-22	Add lines 3-1 through 3-21 **TOTAL EXPENDITURES**	$ 5,332	$ 100,492	Add lines 3-1 through 3-21 **TOTAL EXPENDITURES**	$ -	$ -
3-23	Interfund Transfers (In)	$ -	$ 6,905	Net Interfund Transfers (In)	$ -	$ -
3-24	Interfund Transfers Out	$ -	$ -	Net Interfund Transfers Out	$ -	$ -
3-25	Other Expenditures (Revenues)	$ -	$ -	Depreciation	$ -	$ -
3-26		$ -	$ -	Other Financing Sources (Uses) (from line 2-28)	$ -	$ -
3-27		$ -	$ -	Capital Outlay (from line 3-14)	$ -	$ -
3-28		$ -	$ -	Debt Principal (from line 3-15)	$ -	$ -
3-29	(Add lines 3-23 through 3-28) **TOTAL TRANSFERS AND OTHER EXPENDITURES**	$ -	$ 6,905	(Line 3-26, plus line 3-27, less line 3-24, less line 3-25) **TOTAL GAAP RECONCILING ITEMS**	$ -	$ -
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 3-29, less line 3-22, plus line 3-29	$ 3,526	$ (18,706)	Net Increase (Decrease) in Net Position Line 3-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-23	$ 3,529	$ -
3-31	Fund Balance, January 1 from December 31 prior year report	$ 2,325	$ 14,095	Net Position, January 1 from December 31 prior year report	$ 26,103	$ -
3-32	Prior Period Adjustment (MUST explain)	$ -	$ -	Prior Period Adjustment (MUST explain)	$ -	$ -
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 **This total should be the same as line 1-36.**	$ 5,851	$ (4,611)	Net Position, December 31 Line 3-30 plus line 3-31 **This total should be the same as line 1-36.**	$ 29,632	$ -

Please use this space to provide explanation of any items on this page

GRAND TOTAL $ 105,824

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than $750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

	Please answer the following questions by marking the appropriate boxes.	YES	NO
4-1	Does the entity have outstanding debt?	☑	☐
4-2	Is the debt repayment schedule attached? If no, MUST explain:	☑	☐
4-3	Is the entity current in its debt service payments? If no, MUST explain:	☑	☐

Please use this space to provide any explanations or comments:

The Town anticipates upgrades to its water system in 2017, funded in part with grants and loans. The amount of the debt is not presently known.

4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)	Outstanding at beginning of year	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds	$ -	$ -	$ -	$ -
	Revenue bonds	$ -	$ -	$ -	$ -
	Notes/Loans	$ 103,274	$ -	$ 3,280	$ 99,994
	Leases	$ -	$ -	$ -	$ -
	Developer Advances	$ -	$ -	$ -	$ -
	Other (specify):	$ -	$ -	$ -	$ -
	TOTAL	$ 103,274	$ -	$ 3,280	$ 99,994

	Please answer the following questions by marking the appropriate boxes.		YES	NO
4-5	Does the entity have any authorized, but unissued, debt?		☐	☑
If yes:	How much?	$ -		
	Date the debt was authorized:			
4-6	Does the entity intend to issue debt within the next calendar year?		☑	☐
If yes:	How much?	$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?		☐	☑
If yes:	What is the amount outstanding?	$ -		
4-8	Does the entity have any lease agreements?		☐	☑
If yes:	What is being leased?			
	What is the original date of the lease?			
	Number of years of lease?			
	Is the lease subject to annual appropriation?		☐	☐
	What are the annual lease payments?	$ -		
4-9	Does the entity have a certified mill levy?		☑	☐
If yes:	Please provide the following mills levied for the year reported: Bond Redemption	0.000		
	General/Other	16.470		
	TOTAL	16.470		

PART 5 - CASH AND INVESTMENTS

	Please provide the entity's cash deposit and investment balances.	AMOUNT	TOTAL
5-1	YEAR-END Total of ALL Checking and Savings accounts	$ 328,637	
5-2	Certificates of deposit	$ 59,852	
	TOTAL CASH DEPOSITS		$ 388,489
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3		$ -	
		$ -	
		$ -	
		$ -	
	TOTAL INVESTMENTS		$ -
	TOTAL CASH AND INVESTMENTS		$ 388,489

Please use this space to provide any explanations or comments:

	Please answer the following question by marking in the appropriate box	YES	NO	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☐	☐	☑
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain:	☑	☐	☐

See Accountants' Compilation Report.

PART 6 - CAPITAL ASSETS

	Please answer the following question by marking in the appropriate box	YES	NO
6-1	Does the entity have capitalized assets?	☑	☐
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:	☑	☐

Please use this space to provide any explanations or comments:

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	$ 14,000	$ -	$ -	$ 14,000
Buildings	$ 257,885	$ -	$ -	$ 257,885
Machinery and equipment	$ 429,781	$ 43,680	$ -	$ 473,461
Furniture and fixtures	$ -	$ -	$ -	$ -
Infrastructure	$ -	$ -	$ -	$ -
Construction In Progress (CIP)	$ -	$ -	$ -	$ -
Other (explain):	$ -	$ -	$ -	$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	$ -	$ -	$ -	$ -
TOTAL	$ 701,666	$ 43,680	$ -	$ 745,346

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	$ 56,933	$ -	$ -	$ 56,933
Buildings	$ 119,692	$ -	$ -	$ 119,692
Machinery and equipment	$ 249,000	$ 7,001	$ -	$ 256,001
Furniture and fixtures	$ -	$ -	$ -	$ -
Infrastructure	$ 414,290	$ 95,636	$ -	$ 509,926
Construction In Progress (CIP)	$ -	$ 21,629	$ -	$ 21,629
Other (explain):	$ -	$ -	$ -	$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	$ (287,317)	$ (8,471)	$ -	$ (295,788)
TOTAL	$ 552,598	$ 115,795	$ -	$ 668,393

PART 7 - PENSION INFORMATION

	Please answer the following question by marking in the appropriate box	YES	NO
7-1	Does the entity have an "old hire" firemen's pension plan?	☐	☑
7-2	Does the entity have a volunteer firemen's pension plan?	☑	☐
If yes:	Who administers the plan?	Town Council	
	Indicate the contributions from:		
	Tax (property, SO, sales, etc.):	$ -	
	State contribution amount:	$ 1,000	
	Other (gifts, donations, etc.):	$ 2,500	
	TOTAL	$ 3,500	
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	$ 33	

Please use this space to provide any explanations or comments:

See Accountants' Compilation Report.

PART 8 - BUDGET INFORMATION

Please use this space to provide any explanations or comments:

	Please answer the following question by marking in the appropriate box	YES	NO	N/A
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	☑	☐	☐
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	☑	☐	☐

If yes: Please indicate the amount appropriated for each fund for the year reported

Fund Name	Budgeted Expenditures
See attached schedule.	$ -
	$ -
	$ -
	$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please use this space to provide any explanations or comments:

	Please answer the following question by marking in the appropriate box	YES	NO
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	☑	☐

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

PART 10 - GENERAL INFORMATION

Please use this space to provide any explanations or comments:

	Please answer the following question by marking in the appropriate box	YES	NO
10-1	Is this application for a newly formed governmental entity?	☐	☑
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?	☐	☑
If Yes:	NEW name		
	PRIOR name		
10-3	Is the entity a metropolitan district?	☐	☑
10-4	Please indicate what services the entity provides:		
	General government services including fire protection, water and sewer.		
10-5	Does the entity have an agreement with another government to provide services?	☐	☑
If yes:	List the name of the other governmental entity and the services provided:		

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

Entity Wide:			**General Fund**			**Governmental Funds**			**Notes**
Unrestricted Cash & Investments	$	388,489	Unrestricted Fund Balar	$	62,191	Total Tax Revenue	$	40,637	
Current Liabilities	$	16,179	Total Fund Balance	$	65,491	Revenue Paying Debt Service	$	-	
Deferred Inflow	$	21,470	PY Fund Balance	$	70,072	Total Revenue	$	70,626	
			Total Revenue	$	49,080	Total Debt Service Principal	$	-	
			Total Expenditures	$	46,756	Total Debt Service Interest	$	-	
Governmental			Interfund In	$	-				
Total Cash & Investments	$	80,316	Interfund Out	$	6,905	**Enterprise Funds**			
Transfers In	$	-	**Proprietary**			Net Position	$	853,004	
Transfers Out	$	6,905	Current Assets	$	297,659	PY Net Position	$	793,307	
Property Tax	$	21,525	Deferred Outflow	$	-	**Government-Wide**			
Debt Service Principal	$	-	Current Liabilities	$	13,054	Total Outstanding Debt	$	99,994	
Total Expenditures	$	62,420	Deferred Inflow	$	-	Authorized but Unissued	$	-	
Total Developer Advances	$	-	Cash & Investments	$	261,830	Year Authorized	$	-	
Total Developer Repayments	$	-	Principal Expense	$	3,280				

PART 12 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of $750,000 or less must have an application prepared by aan independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current governing board members below.	Print Board Member's Name	A **MAJORITY** of the governing board members must complete and sign in the column below.
Board Member 1	Robert Jones	I, Robert Jones, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: 3/27/17 My term Expires: 5/ 2018
Board Member 2	Dave Stahley	I, ______, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: 3/27/17 My term Expires: 5/20/18
Board Member 3	Sharon Russell	I, ______, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: ______ My term Expires: ______
Board Member 4	Dan Wiebers	I, ______, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: ______ My term Expires: ______
Board Member 5	Jared Davis	I, Jared Davis, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: 3-27-17 My term Expires: 2020 May
Board Member 6	Garle County	I, Garle County, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: 3/27/2017 My term Expires: 01/2018
Board Member 7	Julian Gonzales	I, Julian Gonzales, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed ______ Date: 3-27-17 My term Expires: 5/2020

See Accountants' Compilation Report.

Original Signatures Verified by

Justin L. Smith

EXHIBIT C
DRINKING WATER REVOLVING FUND
DISADVANTAGED COMMUNITIES LOAN PROGRAM
LOAN REPAYMENT SCHEDULE
TOWN OF MERINO, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
Loan Number: #D
On or before the first of each date, commencing on November 1, 2013 the
Governmental Agency shall pay the amount set forth below:

LOAN DATE:	CLOSING DATE
LOAN AMOUNT:	$110,000
INTEREST RATE:	1.000%
TERM (YEARS):	30

INTEREST DATE: 10/01/13

PAYMENT DATES	PAYMENT	PRINCIPAL	REMAINING PRINCIPAL	CALCULATED INTEREST	INTEREST ALLOCATION FOR AUTHORITY PURPOSES ONLY: INTEREST	ADMIN. FEE
			$110,000.00			
11/1/2013	$354.43	$262.76	$109,737.24	$91.67	0.00	91.67
5/1/2014	$2,152.38	$1,603.69	$108,133.55	$548.69	0.00	548.69
11/1/2014	$2,152.38	$1,611.71	$106,521.84	$540.67	0.00	540.67
5/1/2015	$2,152.38	$1,619.77	$104,902.07	$532.61	0.00	532.61
11/1/2015	$2,152.38	$1,627.87	$103,274.20	$524.51	0.00	524.51
5/1/2016	$2,152.38	$1,636.01	$101,638.19	$516.37	0.00	516.37
11/1/2016	$2,152.38	$1,644.19	$99,994.00	$508.19	0.00	508.19
5/1/2017	$2,152.38	$1,652.41	$98,341.59	$499.97	0.00	499.97
11/1/2017	$2,152.38	$1,660.67	$96,680.92	$491.71	0.00	491.71
5/1/2018	$2,152.38	$1,668.98	$95,011.94	$483.40	0.00	483.40
11/1/2018	$2,152.38	$1,677.32	$93,334.62	$475.06	0.00	475.06
5/1/2019	$2,152.38	$1,685.71	$91,648.91	$466.67	0.00	466.67
11/1/2019	$2,152.38	$1,694.14	$89,954.77	$458.24	0.00	458.24
5/1/2020	$2,152.38	$1,702.61	$88,252.16	$449.77	0.00	449.77
11/1/2020	$2,152.38	$1,711.12	$86,541.04	$441.26	0.00	441.26
5/1/2021	$2,152.38	$1,719.67	$84,821.37	$432.71	0.00	432.71
11/1/2021	$2,152.38	$1,728.27	$83,093.10	$424.11	0.00	424.11
5/1/2022	$2,152.38	$1,736.91	$81,356.19	$415.47	0.00	415.47
11/1/2022	$2,152.38	$1,745.60	$79,610.59	$406.78	0.00	406.78
5/1/2023	$2,152.38	$1,754.33	$77,856.26	$398.05	0.00	398.05
11/1/2023	$2,152.38	$1,763.10	$76,093.16	$389.28	0.00	389.28
5/1/2024	$2,152.38	$1,771.91	$74,321.25	$380.47	0.00	380.47
11/1/2024	$2,152.38	$1,780.77	$72,540.48	$371.61	0.00	371.61
5/1/2025	$2,152.38	$1,789.68	$70,750.80	$362.70	0.00	362.70
11/1/2025	$2,152.38	$1,798.63	$68,952.17	$353.75	0.00	353.75
5/1/2026	$2,152.38	$1,807.62	$67,144.55	$344.76	0.00	344.76
11/1/2026	$2,152.38	$1,816.66	$65,327.89	$335.72	0.00	335.72
5/1/2027	$2,152.38	$1,825.74	$63,502.15	$326.64	0.00	326.64
11/1/2027	$2,152.38	$1,834.87	$61,667.28	$317.51	0.00	317.51
5/1/2028	$2,152.38	$1,844.04	$59,823.24	$308.34	0.00	308.34
11/1/2028	$2,152.38	$1,853.26	$57,969.98	$299.12	0.00	299.12
5/1/2029	$2,152.38	$1,862.53	$56,107.45	$289.85	0.00	289.85
11/1/2029	$2,152.38	$1,871.84	$54,235.61	$280.54	0.00	280.54
5/1/2030	$2,152.38	$1,881.20	$52,354.41	$271.18	0.00	271.18
11/1/2030	$2,152.38	$1,890.61	$50,463.80	$261.77	0.00	261.77
5/1/2031	$2,152.38	$1,900.06	$48,563.74	$252.32	0.00	252.32
11/1/2031	$2,152.38	$1,909.56	$46,654.18	$242.82	0.00	242.82
5/1/2032	$2,152.38	$1,919.11	$44,735.07	$233.27	0.00	233.27
11/1/2032	$2,152.38	$1,928.70	$42,806.37	$223.68	0.00	223.68
5/1/2033	$2,152.38	$1,938.35	$40,868.02	$214.03	0.00	214.03
11/1/2033	$2,152.38	$1,948.04	$38,919.98	$204.34	0.00	204.34
5/1/2034	$2,152.38	$1,957.78	$36,962.20	$194.60	0.00	194.60
11/1/2034	$2,152.38	$1,967.57	$34,994.63	$184.81	0.00	184.81
5/1/2035	$2,152.38	$1,977.41	$33,017.22	$174.97	0.00	174.97
11/1/2035	$2,152.38	$1,987.29	$31,029.93	$165.09	0.00	165.09
5/1/2036	$2,152.38	$1,997.23	$29,032.70	$155.15	0.00	155.15
11/1/2036	$2,152.38	$2,007.22	$27,025.48	$145.16	0.00	145.16
5/1/2037	$2,152.38	$2,017.25	$25,008.23	$135.13	0.00	135.13
11/1/2037	$2,152.38	$2,027.34	$22,980.89	$125.04	0.00	125.04
5/1/2038	$2,152.38	$2,037.48	$20,943.41	$114.90	0.00	114.90
11/1/2038	$2,152.38	$2,047.66	$18,895.75	$104.72	0.00	104.72
5/1/2039	$2,152.38	$2,057.90	$16,837.85	$94.48	0.00	94.48
11/1/2039	$2,152.38	$2,068.19	$14,769.66	$84.19	0.00	84.19
5/1/2040	$2,152.38	$2,078.53	$12,691.13	$73.85	0.00	73.85
11/1/2040	$2,152.38	$2,088.92	$10,602.21	$63.46	0.00	63.46
5/1/2041	$2,152.38	$2,099.37	$8,502.84	$53.01	0.00	53.01
11/1/2041	$2,152.38	$2,109.87	$6,392.97	$42.51	0.00	42.51
5/1/2042	$2,152.38	$2,120.42	$4,272.55	$31.96	0.00	31.96
11/1/2042	$2,152.38	$2,131.02	$2,141.53	$21.36	0.00	21.36
5/1/2043	$2,152.24	$2,141.53	$0.00	$10.71	0.00	10.71
Total	$127,344.71	$110,000.00		$17,344.71	$0.00	$17,344.71

$127,344.71 17,344.71

See Accountants' Compilation Report.

TOWN OF MERINO
Amounts Appropriated by Fund
December 31, 2016

Fund	Appropriated Amount
General Fund	$ 104,276
Streets Fund	44,163
Water Fund	397,516
Sewer Fund	222,418
Conservation Trust Fund	4,880
Fire Department Fund	80,000
Fire Pension Fund	29,577
Total	$ 882,830

LAUER, SZABO & ASSOCIATES, PC
Certified Public Accountants
205 Main St. • P.O. Box 1886 • Sterling, CO 80751-7886
Phone 970-522-2218 • FAX 970-522-2220

Accountants' Compilation Report

To the Mayor and Members of Town Council
Town of Merino
Merino, Colorado

Management is responsible for the accompanying financial statements of Town of Merino, which comprise the balance sheet as of December 31, 2016, and the related operating statements for the year then ended, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with requirements of the Colorado Office of the State Auditor, and are not intended to be a complete presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of Town of Merino and the Colorado Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

We are not independent with respect to the Town of Merino.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
March 26, 2017