

**APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM**

NAME OF GOVERNMENT
ADDRESS

HINSDALE COUNTY REGIONAL LIBRARY DISTRICT
PO BOX 607
LAKE CITY, CO 81235
ROSEMARY GENTRY CPA
970-921-5149
rosemary003@tds.net
970-921-3380

3510.00
For the Year Ended
12/31/2017
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

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:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED
(Must be Completed prior to Board approval)
RELATIONSHIP TO ENTITY

ROSEMARY GENTRY
OWNER
ROSEMARY KNIGHT GENTRY CPA
PO BOX 312, CRAWFORD, CO 81415
970-921-5149
02//09/2018
NONE

PREPARER (SIGNATURE REQUIRED)

Rosemary Gentry

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.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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RECEIVED
Office of the State Auditor
February 27, 2018

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 51,210	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets (specify)	\$ -	\$ -	Other Current Assets	\$ -	\$ -	
1-5		\$ -	\$ -				
1-6		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ 658,024	\$ -	
1-7		\$ -	\$ -	Other Long Term Assets (specify)	\$ -	\$ -	
1-8		\$ -	\$ -		\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 709,234	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 709,234	\$ -	
Liabilities				Liabilities			
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ 490	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ -	\$ -	TOTAL CURRENT LIABILITIES	\$ 490	\$ -	
1-20	All Other Liabilities (specify)	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
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	\$ -	\$ -	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ 490	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
Fund Balance				Net Position			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 658,024	\$ -	
1-31	Nonspendable Inventory	\$ -	\$ -				
1-32	Restricted (specify):	\$ -	\$ -	Emergency Reserves	\$ 4,295	\$ -	
1-33	Committed: (specify)	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned (specify)	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 46,425	\$ -	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	\$ 708,744	\$ -	
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	\$ -	\$ -	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	\$ 709,234	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Fund*	Fund*	
Tax Revenue				Tax Revenue			
2-1	Property	\$ -	\$ -	Property	\$ 101,339	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue (specify):	\$ -	\$ -	Other Tax Revenue (specify):	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 101,339	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	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	\$ 3,500	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ 9,343	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 862	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ 13,450	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 377	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-22	All Other (specify):	\$ -	\$ -	All Other (specify):	\$ -	\$ -	
2-23		\$ -	\$ -	PRIOR YEARS 2015 & 2016 LEASE PURCHASE PMTS-SEE	\$ 30,800	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 159,671	\$ -	
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	\$ -	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 159,671	\$ -	
							GRAND TOTALS
							\$ 159,671

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

NOTE 1-IN 2017, THE DISTRICT EXERCISED ITS OPTION TO PURCHASE LAND UPON PAYING ITS FINAL LEASE PURCHASE PAYMENT IN JULY OF 2017. THE PRIOR YEARS LEASE PURCHASE PAYMENTS OF \$30,800 WHICH HAD BEEN EXPENSED IN 2015 & 2016, ARE SHOWN HERE AS REVENUE, AS THE \$30,800 WAS APPLIED TO THE PURCHASE PRICE OF THE LAND.

See Sch 1

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.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Fund*	Fund*	
Expenditures				Expenditures			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 2,213	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 49,860	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 3,814	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ 50	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ 7,269	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 3,066	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 400	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 2,237	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ 1,943	\$ -	
3-10	Other (specify):	\$ -	\$ -	Utilities	\$ 9,277	\$ -	
3-11		\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other (specify) Book Collection Purchases	\$ 13,693	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ 45,766	\$ -	
	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): Literacy Grant Exp	\$ 2,571	\$ -	
3-21		\$ -	\$ -	Property Taxes	\$ 1,007	\$ -	
3-22	Add lines 3-1 through 3-21	\$ -	\$ -	Add lines 3-1 through 3-21	\$ 143,166	\$ -	GRAND TOTAL
	TOTAL EXPENDITURES	\$ -	\$ -	TOTAL EXPENDITURES	\$ 143,166	\$ -	\$ 143,166
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In)		\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Net Interfund Transfers Out		\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ 24,336	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ 45,766	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28)	\$ -	\$ -	(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)	\$ 21,430	\$ -	
	TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	TOTAL GAAP RECONCILING ITEMS	\$ 21,430	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ -	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ 37,935	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 670,809	\$ -	
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.	\$ -	\$ -	Net Position, December 31 Line 3-30 plus line 3-31 This total should be the same as line 1-36.	\$ 708,744	\$ -	

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

Please use this space to provide any explanations or comments:

- 4-1 Does the entity have outstanding debt? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

- 4-5 Does the entity have any authorized, but unissued, debt? YES NO
- If yes: How much? \$ -
- Date the debt was authorized: _____
- 4-6 Does the entity intend to issue debt within the next calendar year? YES NO
- If yes: How much? \$ -
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO
- If yes: What is the amount outstanding? \$ -
- 4-8 Does the entity have any lease agreements? YES NO
- If yes: What is being leased? LEASE PURCHASE FOR LAND-FINAL 7/17/17
- What is the original date of the lease? 10/1/11 AMENDED 12/31/14
- Number of years of lease? 20
- Is the lease subject to annual appropriation? YES NO
- What are the annual lease payments? \$ -
- 4-9 Does the entity have a certified mill levy? YES NO

If yes: Please provide the following mills levied for the year reported (do not enter \$ amounts):

Bond Redemption	0.00
General/Other	1.75
TOTAL	1.75

See Schedule 1

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

5-1 YEAR-END Total of ALL Checking and Savings accounts	\$ 29,044	
5-2 Certificates of deposit	\$ 22,166	
TOTAL CASH DEPOSITS		\$ 51,210
Investments (if investment is a mutual fund, please list underlying investments):		
5-3	\$ -	
	\$ -	
	\$ -	
	\$ -	
TOTAL INVESTMENTS		\$ -
TOTAL CASH AND INVESTMENTS		\$ 51,210

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.? YES NO N/A
- 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: YES NO N/A

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 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: YES NO

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land				\$ -
Buildings			\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures			\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): BOOK COLLECTION		\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)			\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ 62,542	\$ 40,398	\$ -	\$ 102,940
Buildings	\$ 581,409	\$ 3,994	\$ -	\$ 585,403
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ 22,202	\$ 1,374	\$ -	\$ 23,576
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): BOOK COLLECTION	\$ 159,569	\$ -	\$ -	\$ 159,569
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (189,128)	\$ (24,336)	\$ -	\$ (213,464)
TOTAL	\$ 636,594	\$ 21,430	\$ -	\$ 658,024

*must agree to prior year ending balance

PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firemen's pension plan? YES NO
- 7-2 Does the entity have a volunteer firemen's pension plan? YES NO

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

State contribution amount:

Other (gifts, donations, etc.):

TOTAL

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box

	YES	NO	N/A	
8-1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:
8-2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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
OPERATING/GENERAL	\$ 135,948
OPERATING/GENERAL-AMENDED BUDGET IN PROCESS	\$ 149,300
	\$ -
	\$ -

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

Please answer the following question by marking in the appropriate box

	YES	NO	
9-1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:

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 answer the following question by marking in the appropriate box

	YES	NO	
10-1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please use this space to provide any explanations or comments:
10-2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10-4	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-5	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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: LIBRARY SERVICES

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	\$ 51,210	Unrestricted Fund Balor	\$ -	Total Tax Revenue	\$ -	
Current Liabilities	\$ 490	Total Fund Balance	\$ -	Revenue Paying Debt Service	\$ -	
Deferred Inflow	\$ -	PY Fund Balance	\$ -	Total Revenue	\$ -	
		Total Revenue	\$ -	Total Debt Service Principal	\$ -	
		Total Expenditures	\$ -	Total Debt Service Interest	\$ -	
		Interfund In	\$ -			
		Interfund Out	\$ -	Enterprise Funds		
		Proprietary	\$ -	Net Position	\$ 708,744	
		Current Assets	\$ 51,210	PY Net Position	\$ 670,809	
		Deferred Outflow	\$ -	Government-Wide		
		Current Liabilities	\$ 490	Total Outstanding Debt	\$ -	
		Deferred Inflow	\$ -	Authorized but Unissued	\$ -	
		Cash & Investments	\$ 51,210	Year Authorized	\$ -	
		Principal Expense	\$ -			

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

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 an 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.

A MAJORITY of the governing board members must complete and sign in the column below.

Board Member	Print Board Member's Name	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: _____
1	KAREN MCCLATCHIE	I, KAREN MCCLATCHIE, 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: _____
2	TAFFY BOLGER	I, TAFFY BOLGER, 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 <u>Taffy Bolger</u> Date: <u>2/20/2018</u> My term Expires: <u>2018</u>
3	GREG COLLINS	I, GREG COLLINS, 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 <u>Greg Collins</u> Date: <u>2/20/2018</u> My term Expires: <u>2018</u>
4	JODI LINSEY	I, JODI LINSEY, 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 <u>Jodi Linsey</u> Date: <u>2/20/2018</u> My term Expires: <u>2018</u>
5	CAROLYN HULL	I, CAROLYN HULL, 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 <u>Carolyn Hull</u> Date: <u>2/20/2018</u> My term Expires: <u>2018</u>
6	EMILY MOTSINGER	I, EMILY MOTSINGER, 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 <u>Emily Motsinger</u> Date: <u>2/20/2018</u> My term Expires: <u>2019</u>
7	Print Board Member's Name	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: _____

**Original Signatures
Verified by**

Justin L. Smith



FIRST AMENDMENT TO LEASE AND OPTION TO PURCHASE

THIS FIRST AMENDMENT TO LEASE AND OPTION TO PURCHASE is made and entered into this 31st day of December, 2014, by and between EDWARD G. BOETTCHER and SARAH S. BOETTCHER (collectively "LESSOR") and the HINSDALE COUNTY REGIONAL LIBRARY DISTRICT, a political subdivision of the State of Colorado ("LESSEE"). The LESSOR and LESSEE hereby agree to amend that certain Lease and Option to Purchase dated August 18, 2011 ("LEASE") as follows:

1. The legal descriptions of the property and the leased premises, as contained in the indented paragraphs on page one (1) of the LEASE, are hereby amended by deleting said indented paragraphs on page one (1) of the LEASE in their entirety and replacing said indented paragraphs on page one (1) of the LEASE as follows:

West Half Lots 17 and 18, Block 58, TOWN OF LAKE CITY, according to the Boettcher Boundary Survey on file and of record in the office of the Hinsdale County Clerk and Recorder, as Reception No. 89811, County of Hinsdale, State of Colorado, which has a street address of 200 B Silver Street, Lake City, Colorado 81235,

and,

The entire first floor of the existing building constructed on Lots 19 and 20, Block 58, TOWN OF LAKE CITY, according to the official plat thereof, County of Hinsdale, State of Colorado, which has a street address of 206 North Silver Street, Lake City, Colorado 81235.

The above referenced legal descriptions and the improvements thereon, if any, shall be referred to in the LEASE as the "Leased Premises."

The term "Property", as used in the LEASE, shall refer to the following legally described properties and the improvements thereon, if any:

West Half Lots 17 and 18, Block 58, TOWN OF LAKE CITY, according to the Boettcher Boundary Survey on file and of record in the office of the Hinsdale County Clerk and Recorder, as Reception No. 89811, County of Hinsdale, State of Colorado, which has a street address of 200 B Silver Street, Lake City, Colorado 81235,

and,

Lots 19 and 20, Block 58, TOWN OF LAKE CITY, according to the official plat thereof, County of Hinsdale, State of Colorado, which has a street address of 206 North Silver Street, Lake City, Colorado 81235.

2. Section 1-3 on page two (2) of the LEASE entitled "Taxes" is hereby deleted in its entirety and replaced as follows:

1-3. Taxes. LESSEE shall pay the prorated ad valorem real property taxes levied against the Leased Premises as the same become due. Should the first floor of the building at 206


Edward G. Boettcher


North Silver Street, Lake City, Colorado 81235 be determined to be exempt from ad valorem taxes as a result of this agreement or the LEASE, such exemption shall be deemed to satisfy the obligation of LESSEE pursuant to this paragraph.

Except as modified above, the LEASE shall remain in full force and effect.

IN WITNESS WHEREOF, the parties execute and agree to this First Amendment to Lease and Option to Purchase with an effective date as first stated above.

LESSOR:


Edward G. Boettcher


Susan S. Boettcher
SARAH

LESSEE:

HINSDALE COUNTY REGIONAL LIBRARY DISTRICT,
a political subdivision of the State of Colorado

By: _____
Jodi Linsey, President

This amendment to the Lease and Option to Purchase Agreement dated 10-1-2011, is to add land/lots as described above. The full term price will be \$40,000, payable in monthly installments of \$1,400.

LEASE AND OPTION TO PURCHASE

THIS LEASE AND OPTION TO PURCHASE, made and entered into this 15th day of October, 2011, at Lake City, Hinsdale County, Colorado, between:

EDWARD G. BOETTCHER and SARAH S. BOETTCHER ("LESSOR"),
and

HINSDALE COUNTY REGIONAL LIBRARY DISTRICT, a political subdivision of the State of Colorado ("LESSEE").

FOR AND IN CONSIDERATION of the payment of rent and the timely keeping and performance of the covenants and agreements by the said LESSEE, the LESSOR does grant, demise, and lease unto the LESSEE, and the LESSEE does lease from the LESSOR, the following described portion of the real property, together with the improvements situate thereon, in the County of Hinsdale and State of Colorado, to-wit:

The entire first floor of the existing building constructed on Lots 19 and 20, Block 58, Town of Lake City, according to the official recorded plat thereof, County of Hinsdale, State of Colorado, which property has a street address of 206 North Silver Street, Lake City, Colorado 81235, hereinafter referred to as the "Leased Premises".

The term "Property" as used herein refers to Lots 19 and 20, Block 58, Town of Lake City, according to the official recorded plat thereof, County of Hinsdale, State of Colorado, and all improvements located thereon.

TO HAVE AND TO HOLD the Leased Premises with all the appurtenances unto the said LESSEE from the 1st day of October, 2011, until the 30th day of September, 2031, at and for a rental for the full term aforesaid of Three Hundred Thirty Six Thousand and no/100 Dollars (\$336,000.00), payable in monthly installments of One Thousand Four Hundred and no/100 Dollars (\$1,400.00), in advance, on or before the first day of each calendar month during

said term at P. O. Box 85, Lake City, Colorado 81235, or at such other location as shall be specified in writing, without prior notice.

ARTICLE 1

THE LESSEE HEREBY COVENANTS AND AGREES WITH THE LESSOR AS FOLLOWS:

1-1. Rental Payments. To pay, without prior notice, the monthly rental payments as hereinabove set forth; and further, to pay a late charge equal to ten (10) per cent of any rental installment not paid within five days of the due date thereof.

1-2. Utilities. LESSEE shall pay all charges for electricity used by LESSEE on the Leased Premises, which is separately metered. Subject to the provisions of Paragraph 2-4 of this agreement, LESSEE shall pay all charges for propane gas and the quarterly charges for water and sewer service for the entire Property, both first and second floors. LESSEE shall pay the charges for trash removal for the Leased Premises. LESSEE shall pay the charges for any other utilities provided to the Leased Premises.

1-3. Taxes. LESSEE shall pay the prorated ad valorem real property taxes attributable to the first floor of the building as the same become due. Should the first floor of the building be determined to be exempt from ad valorem taxes as a result of this agreement, such exemption shall be deemed to satisfy the obligation of LESSEE pursuant to this paragraph.

1-4. Insurance. The LESSEE agrees to maintain at its own cost the specific types of policies of insurance hereinafter set forth. The LESSEE hereby agrees to maintain at its own cost "Owners, Landlord, and Tenants Liability Insurance" in minimum amounts of \$150,000.00 per person and \$600,000.00 per accident limits. The LESSOR hereunder shall be named as an insured in each of said policies, and a copy of said policies shall be submitted to LESSOR prior to the commencement of the term of this lease. All of the aforementioned policies of insurance must specifically provide therein that the said policies cannot be cancelled without prior written notification by the insurer unto the LESSOR. If any insurer shall give such notice of cancellation unto the LESSOR, then the LESSEE covenants that it will, within 24 hours after the LESSOR shall have notified the LESSEE of the receipt by the LESSOR of said notice of cancellation, obtain new insurance coverage to take the place of the policy to which the notice of cancellation shall have been given.

1-5. Use of Premises. To occupy and use the leased premises solely as a public library facility and not to occupy or use the said premises, or permit the same to be occupied or used, for any purpose deemed extra-hazardous on account of fire, without the prior written permission of the LESSOR, or in any manner which would tend to disturb or annoy any person occupying other portions of the Property.

1-6. Remodeling. To make no remodeling change or alteration, nor paint or change the decoration of the Leased Premises in any respect, without the prior written consent of the LESSOR, which consent shall not be unreasonably withheld, and further, at its own cost, to do all remodeling necessary for the library operation to be conducted on the Leased Premises.

1-7. Maintenance. To make all day-to-day repairs to the Leased Premises as may be necessary to keep the same in as good a condition as when received, normal wear and tear excepted.

1-8. Liens. To keep the Leased Premises free and clear of all liens of any kind.

1-9. Inspection of Premises. To allow the LESSOR or its authorized representatives to enter upon the Leased Premises at any reasonable hour to inspect the said premises.

1-10. Property Loss and Damage. LESSOR shall not be liable in any way or to any extent for or on account of any damage, injury, or theft of any property at any time in the Leased Premises or belonging to the LESSEE or otherwise, unless caused by the negligence or intentional actions or inactions of the LESSOR or its agents.

1-11. Assignment. To not assign, sell, or encumber this lease, nor sublet the Leased Premises, in whole or in part, directly or indirectly.

1-12. Surrender of Premises. To quit and surrender the Leased Premises upon the expiration of the term of this lease, or any extension hereof, in as good a state and condition as when received, reasonable wear and tear excepted.

ARTICLE 2

THE LESSOR HEREBY COVENANTS AND AGREES WITH THE LESSEE AS FOLLOWS:

2-1. Ownership of Premises. That LESSOR is the sole owner, in fee simple, of the Leased Premises, and has the full right and power to lease the same for the term aforesaid.

2-2. Taxes. Subject to the provisions of Paragraph 1-3 above, LESSOR shall pay all ad valorem real property taxes and special assessments levied upon the property and building.

2-3. Insurance. To maintain in force fire and extended coverage only on the structure on the Property in an amount equal to the fair market value thereof, together with public liability insurance covering the exterior and second floor of the building.

2-4. Utilities. During the term of this lease, LESSOR shall reimburse LESSEE one-half of the monthly charges for the propane gas used to heat the building located on the Property, and shall reimburse LESSEE one-half of the quarterly fees for water and sewer service to the Property as the same come due.

2-5. LESSOR'S Consent to Remodeling. LESSOR hereby gives their consent to LESSEE'S remodeling of the Leased Premises for use as a public library.

ARTICLE 3

THE LESSOR AND THE LESSEE HEREBY MUTUALLY COVENANT AND AGREE AS FOLLOWS:

3-1. Default.

A. The following shall constitute default by LESSEE under this lease:

(1) LESSEE'S failure to pay any installment of rent, other charge, or money obligation hereunder if such failure continues for a period of ten (10) days.

(2) LESSEE'S failure to comply with any term, provision, or covenant of this lease which continues for a period of ten (10) days after written notice thereof to LESSEE.

(3) LESSEE'S insolvency or LESSEE'S transfer in fraud of creditors, or LESSEE'S assignment for the benefit of creditors.

(4) LESSEE'S filing of a petition under the Bankruptcy Acts.

(5) The appointment of a receiver or trustee for the premises or for all or substantially all of the assets of the LESSEE.

(6) LESSEE'S abandonment or vacation of any substantial portion of the Leased Premises.

(7) The filing or creation of a lien on the Leased Premises as a result of LESSEE'S action or inaction.

B. In the event of any default by either party under this lease, the innocent party shall have the right to cancel this lease in the following manner:

(1) The non-defaulting party shall give to the defaulting party written notice of such default.

(2) The defaulting party shall have ten (10) days from the date of such notice to correct said default, and if said default remains uncured for ten (10) days after the date of said notice, this lease shall be fully terminated.

(3) In the event of such default by LESSEE, the LESSOR, in addition to other rights and remedies it may have, shall have the immediate right to re-enter upon the Leased Premises and may remove all persons and property from said premises and no such re-entry shall be considered or construed to be forcible entry upon such property.

C. In addition to the foregoing remedies in the event of a default of this agreement by the LESSOR, LESSEE shall have the right to seek specific performance of this agreement.

3-2. LESSEE'S Property. All trade or business property and equipment which may be placed in or upon the Leased Premises by the LESSEE are to remain LESSEE'S sole and separate property, and LESSEE shall have the right to remove the same upon the termination of this lease, or any extension hereof. No personal property shall be removed which has become permanently affixed to the real property and/or which cannot be removed without causing damage or injury to the building of any kind.

3-3. Rights are Cumulative. All rights and remedies hereby created for the benefit of the LESSOR are cumulative and the exercise of any one remedy shall not be taken to exclude or waive the right of the LESSOR to make use of any other remedy.

3-4. LESSOR'S Obligation to Pay Rent and Payment of the Purchase Price Subject to Annual Appropriation. LESSEE'S obligations to pay the rental payments to LESSOR pursuant to this lease and payments towards the Purchase Price set forth in Paragraph 4-4 hereof, do not constitute a multi-year financial obligation of the LESSEE. The obligations to pay the rental payments and payments towards the Purchase Price for any

subsequent fiscal year is strictly contingent upon LESSEE'S budgeting and appropriation of funds for the purpose of making the rental payments and payments towards the Purchase Price in the next fiscal year. Should LESSEE fail to budget and appropriate the funds for such payments in the next fiscal year, LESSEE shall notify LESSOR of such fact on or before November 1 of the current fiscal year, and this lease shall terminate at the end of the fiscal year.

3-5. Rental of Second Floor. During the term of this lease, LESSOR may rent the second floor portion of the building located on the Property and retain all rental income therefrom as LESSOR'S property.

3-6. Knowledge of Contents. The parties to this lease by the execution hereof acknowledge that they have read the same and every section hereof, and have expressed an explicit knowledge and understanding of all matters, things, conditions, stipulations, promises, covenants, and agreements herein set forth.

3-7. Notices. Notice when required hereunder shall be deemed given when deposited in the United States registered or certified mails, return receipt requested, or when hand delivered to the following addresses:

A. As to LESSOR: P. O. Box 85
Lake City, Colorado 81235

B. As to LESSEE: P. O. Box 607
Lake City, Colorado 81235

3-8. Applicable Law. This lease is entered into at Gunnison, Gunnison County, Colorado, and it is agreed that the proper jurisdiction and venue of any action pertaining to the interpretation or enforcement of this lease shall be in the District Court of Gunnison County, Colorado. If this lease, any of the rules and regulations or application, or any other instruments by way of reference incorporated herein shall contain any term or provision which shall be invalid or unenforceable, the remainder of the lease, the application, the rules or regulations, and other instruments, as the case may be, shall not be affected thereby, and each and every term and provision otherwise valid shall remain valid and be enforced to the fullest extent permitted by law.

3-9. Attorney's Fees. It is agreed that if any action is brought in a court of law by either party to this lease as to the enforcement, interpretation, or construction of this lease or any document provided for herein, the prevailing party in such

action shall be entitled to reasonable attorney's fees, as well as all costs incurred in the prosecution or defense of such action. In the event that LESSOR retains an attorney to collect rent or enforce any other provision hereof, and suit is not brought, LESSEE agrees to pay all reasonable attorney's fees in connection therewith upon presentation of a statement therefor.

3-10. Binding Agreement. It is understood and agreed that this lease shall be binding upon the heirs, executors, administrators, and assigns of the parties hereto.

3-11. Recording of Notice of This Agreement. Upon execution of this Agreement, LESSOR and LESSEE shall execute and acknowledge the Notice of Lease and Option to Purchase in the form attached hereto as Exhibit A, which shall be recorded in the real property records of Hinsdale County, State of Colorado.

ARTICLE 4

4-1. Grant of Option. In consideration of the keeping of the terms of this lease by LESSEE and in further consideration of the payment of the sum of One Hundred Ten Thousand and no/100 Dollars (\$110,000.00) on October 1, 2011, as set forth below, LESSOR hereby grants to LESSEE the irrevocable option to purchase the Property for the price and in accordance with the terms of the Contract to Buy and Sell Real Estate wherein LESSEE is Buyer and LESSOR is Seller, attached hereto and made a part hereof by this reference.

4-2. Term of the Option. The Option to Purchase shall continue for the full term of the lease of the Leased Premises by LESSOR to LESSEE. Unless the lease is earlier terminated, the Option to Purchase shall continue until September 30, 2031.

4-3. Exercise of the Option. The LESSEE may exercise its Option to Purchase by giving LESSOR fifteen (15) days' written notice of its intent to do so and payment to the LESSORS of the total Purchase Price.

4-4. Payment of the Purchase Price. LESSEE shall make the following payments to LESSOR, and LESSEE shall receive credit against the Purchase Price of all such payments:

A. The sum of One Hundred Ten Thousand and no/100 Dollars (\$110,000.00) on October 1, 2011;

B. The net proceeds of the Hinsdale County Regional Library Capital Facility District Mill Levy, which shall be paid quarterly beginning January 1, 2012;

C. The monthly installments of rent in the amount of One Thousand Four Hundred and no/100 Dollars (\$1,400.00), to be paid as the same become due hereunder; and

D. Such additional sums as may be legally available to LESSEE for purposes of acquisition of capital assets.

4-5. Closing of the Option to Purchase. Upon the tender of the remaining Purchase Price by LESSEE to LESSOR, LESSOR shall convey the Property to LESSEE in accordance with the attached Contract to Buy and Sell Real Estate.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

Edward G. Boettcher

Sarah S. Boettcher
LESSOR

HINSDALE COUNTY REGIONAL LIBRARY
DISTRICT, a political subdivision
of the State of Colorado

By _____
LESSEE

STATE OF COLORADO)
) ss.
COUNTY OF HINSDALE)

The foregoing Notice of Lease and Option to Purchase was acknowledged before me this 29 day of September, 2011, by Jodi Linsey, as President of the Board of Directors of the Hinsdale County Regional Library District.

WITNESS my hand and official seal.

My commission expires:

Rebecca B Campbell
Notary Public

REBECCA B. CAMPBELL
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires March 21, 2014