

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Town of Paoli
111 S. Lohn Avenue
Paoli, Colorado 80746

For the Year Ended
12/31/18
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

Lacie Bone
970-520-8797
townofpaoli@pctclcom.coop
N/A

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Scott Szabo
Certified Public Accountant
Lauer, Szabo & Associates, P.C.
205 Main Street - P.O. Box 1886, Sterling, Colorado 80751
970-522-2218
February 28, 2019

PREPARER (SIGNATURE REQUIRED)

See Independent Accountants' Compilation Report.

Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



See Independent Accountants' Compilation Report.

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 13,946	
2-2	Specific ownership	\$ 1,430	
2-3	Sales and use	\$ -	
2-4	Other (specify): Other Taxes	\$ 3,780	
2-5	Licenses and permits	\$ 1	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ 334	
2-8	Highway Users Tax Funds (HUTF)	\$ 6,642	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ 13,233	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 173	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ 100	
2-21	Other (specify): Insurance Proceeds	\$ 3,255	
2-22	Miscellaneous	\$ 511	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 43,405	

PART 3 - EXPENDITURES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 3,787	
3-2	Salaries	\$ 12,637	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 2,400	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 2,496	
3-7	Accounting and legal fees	\$ 875	
3-8	Repair and maintenance	\$ 8,678	
3-9	Supplies	\$ 385	
3-10	Utilities and telephone	\$ 5,641	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ 5,500	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 42,399	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	☐	☒	
4-2	Is the debt repayment schedule attached? If no, MUST explain: The Town does not have any outstanding debt; therefore, there is no debt repayment schedule attached.	☐	☒	
4-3	Is the entity current in its debt service payments? If no, MUST explain: 	☒	☐	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)			
	Outstanding at end of prior 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 tie 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?	☐	☒	
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?			

Please use this space to provide any explanations or comments:

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	\$ 78,546	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 78,546
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ 78,546

Please answer the following questions by marking in the appropriate boxes

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 use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital 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:

☒

☐

6-3

Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Buildings	\$ 285,373	\$ -	\$ -	\$ 285,373
Machinery and equipment	\$ 19,250	\$ 5,500	\$ -	\$ 24,750
Furniture and fixtures	\$ 3,668	\$ -	\$ -	\$ 3,668
Infrastructure	\$ 151,808	\$ -	\$ -	\$ 151,808
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 465,599	\$ 5,500	\$ -	\$ 471,099

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

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?

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

\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒

☐

☐

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 budgeted for each fund for the year reported:

General Fund	\$ 34,607

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

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,
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.

☒

☐

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

- 10-1 Is this application for a newly formed governmental entity? ☐ Yes ☒ No
- If yes: Date of formation:
- 10-2 Has the entity changed its name in the past or current year? ☐ Yes ☒ No

If yes: Please list the NEW name & PRIOR name:

- 10-3 Is the entity a metropolitan district? ☐ Yes ☒ No

Please indicate what services the entity provides:

General government services, including water, sewer and trash.

- 10-4 Does the entity have an agreement with another government to provide services? ☐ Yes ☒ No

If yes: List the name of the other governmental entity and the services provided:

- 10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

- 10-6 Does the entity have a certified Mill Levy? ☒ Yes ☐ No

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

Bond Redemption mills

-

General/Other mills

8.543

Total mills

8.543

Please use this space to provide any explanations or comments:

PART 11 - 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 Procedure

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.

Print the names of ALL current governing board members below.		A <u>MAJORITY</u> of the governing board members must complete and sign in the column below.
Board Member 1	Print Board Member's Name Virgil Harms	I _____, attest 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 2	Print Board Member's Name Jim McBee	I _____, attest 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 3	Print Board Member's Name Dean Brom	I _____, attest 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	Print Board Member's Name Mike Borland	I _____, attest 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	Print Board Member's Name Grady Groshans	I _____, attest 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 6	Print Board Member's Name Damon Harms	I _____, attest 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 7	Print Board Member's Name Heath Weiss	I _____, attest 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: _____

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT
(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 2018 FOR THE **Town of Paoli**, STATE OF COLORADO.

WHEREAS, the **Town Council** of **Town of Paoli** wishes to claim exemption from audit requirements of Section 29-1-603, C.R.S.; and

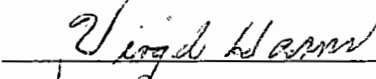
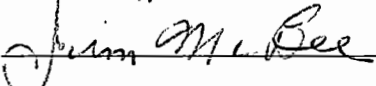
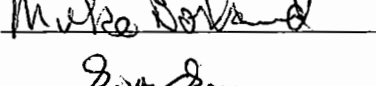
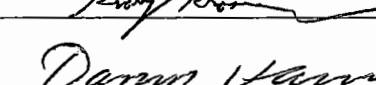
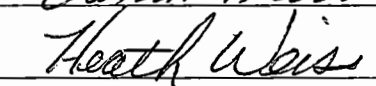
WHEREAS, neither revenues nor expenditures for **Town of Paoli** exceeded \$100,000 for Year 2018; and

WHEREAS, an application for exemption from audit for **Town of Paoli** has been prepared by **Lauer, Szabo & Associates, P.C.**, a firm skilled in governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **Town Council** of the **Town of Paoli** that the application for exemption from audit for **Town of Paoli** for the year ended December 31, 2018, has been personally reviewed and is hereby approved by a majority of the **Town Council** of the **Town of Paoli**; that those members of the **Town Council** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **Town of Paoli** for the year ended December 31, 2018.

ADOPTED THIS 20th day of March, 2019.

<u>Printed Name of Director</u>	<u>Date Term Expires</u>	<u>Signature</u>
Virgil Harms	2020	
Jim McBee	2022	
Dean Brom	2020	
Mike Borland	2020	
Grady Groshans	2022	
Damon Harms	2020	
Heath Weiss	2022	



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

Independent Accountants' Compilation Report

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

Management is responsible for the accompanying financial statements of Town of Paoli as of December 31, 2018, and 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 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 Paoli 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.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
February 28, 2019