

# APPLICATION FOR EXEMPTION FROM AUDIT

## LONG FORM

NAME OF GOVERNMENT	TOWN OF CHERAW, COLORADO
ADDRESS	P.O. BOX 16 210 RAILROAD AVENUE CHERAW, CO 81030
CONTACT PERSON	DAVE HOWARD, MAYOR
PHONE	719-853-6013
EMAIL	townofcherawco@gmail.com
FAX	

For the Year Ended  
12/31/2020  
or fiscal year ended:

## 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:	ANDREW FROESE, CPA
TITLE	MEMBER
FIRM NAME (if applicable)	HANCOCK FROESE & COMPANY LLC
ADDRESS	601 S. 8TH STREET, ROCKY FORD, CO 81067
PHONE	719-980-1962
DATE PREPARED	3/17/2021
RELATIONSHIP TO ENTITY	PERFORM COMPILATION ENGAGEMENT & FINANCIAL STATEMENTS PREPARED IN THE PRESCRIBED FORM REQUIRED BY STATE

### PREPARER (SIGNATURE REQUIRED)

*Andrew H. Froese, CPA*

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"/>	

## PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		
		General Fund	Conservation Trust Fund		Water Utility Fund	Sewer Utility Fund	
<b>Assets</b>				<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ 56,825	\$ 32,940	Cash & Cash Equivalents	\$ 15,062	\$ 71,962	Please use this space to provide explanation of any items on this page
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ 28,865	\$ -	Receivables	\$ 10,000	\$ -	
1-4	Due from Other Entities or Funds	\$ 21,476	\$ -	Due from Other Entities or Funds	\$ 20,571	\$ 14,069	
	All Other Assets [specify...]			Other Current Assets	\$ -	\$ -	
1-5	Property Tax Receivable	\$ 12,900	\$ -				
1-6		\$ -	\$ -	<b>Total Current Assets</b>	<b>\$ 45,633</b>	<b>\$ 86,031</b>	
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ 292,726	\$ 451,513	
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	<b>\$ 120,066</b>	<b>\$ 32,940</b>	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	<b>\$ 338,359</b>	<b>\$ 537,544</b>	
1-12	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	
1-13	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 120,066</b>	<b>\$ 32,940</b>	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 338,359</b>	<b>\$ 537,544</b>	
<b>Liabilities</b>				<b>Liabilities</b>			
1-14	Accounts Payable	\$ 1,751	\$ -	Accounts Payable	\$ 5,520	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ 3,943	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ 34,640	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ 2,154	\$ -	
1-19	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 40,334</b>	<b>\$ -</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 7,674</b>	<b>\$ -</b>	
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) <b>TOTAL LIABILITIES</b>	<b>\$ 40,334</b>	<b>\$ -</b>	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	<b>\$ 7,674</b>	<b>\$ -</b>	
1-29	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 12,900</b>	<b>\$ -</b>	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Fund Balance</b>				<b>Net Position</b>			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 292,726	\$ 451,514	
1-31	Nonspendable Inventory	\$ -	\$ -				
1-32	Restricted TABOR AND CTF	\$ 2,000	\$ 32,940	Emergency Reserves	\$ -	\$ -	
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ 64,832	\$ -	Undesignated/Unreserved/Unrestricted	\$ 37,959	\$ 86,030	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	<b>\$ 66,832</b>	<b>\$ 32,940</b>	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	<b>\$ 330,685</b>	<b>\$ 537,544</b>	
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 120,066</b>	<b>\$ 32,940</b>	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 338,359</b>	<b>\$ 537,544</b>	

**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*		Garbage Utility Fund	Fund*	
<b>Assets</b>				<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 69,850	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ 1,545	\$ -	
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		\$ -	\$ -	Total Current Assets	\$ 71,395	\$ -	
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ 11,508	\$ -	
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 82,903	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 82,903	\$ -	
<b>Liabilities</b>				<b>Liabilities</b>			
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 645	\$ -	
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	\$ 21,476	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ -	\$ -	TOTAL CURRENT LIABILITIES	\$ 22,121	\$ -	
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-21		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-22		\$ -	\$ -	Landfill Closure and Post-Closure Liability	\$ 7,400	\$ -	
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	\$ 29,521	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
<b>Fund Balance</b>				<b>Net Position</b>			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 11,508	\$ -	
1-31	Nonspendable Inventory	\$ -	\$ -				
1-32	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 41,874	\$ -	
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	\$ 53,382	\$ -	
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	\$ 82,903	\$ -	

**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
		General Fund	Conservation Trust Fund		Water Utility Fund	Sewer Utility Fund	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
2-1	Property [include mills levied in Question 10-6]	\$ 12,819	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ 2,808	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue: FRANCHISE	\$ 8,671	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5	SEVERANCE TAX	\$ 50	\$ -		\$ -	\$ -	
2-6	CIGARETTE TAX	\$ 137	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ 24,485	\$ -	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	
2-9	Licenses and Permits	\$ 14	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ 8,541	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ 2,520	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	\$ 19,690	\$ -	Grants	\$ 10,000	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 41,072	\$ 26,835	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 62	\$ 52	Interest/Investment Income	\$ 11	\$ 112	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [MOTOR VEHICLE]:	\$ 1,089	\$ -	All Other [Miscellaneous]:	\$ -	\$ -	
2-23	Otero County Road & Brdge and Miscellaneous	\$ 4,732	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 58,613	\$ 2,572	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 51,083	\$ 26,947	
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 58,613	\$ 2,572	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 51,083	\$ 26,947	\$ 139,215

**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 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*		Garbage Utility Fund	Fund*	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
2-1	Property [include mills levied in Question 10-6]	\$ -	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
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	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	
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	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 58,245	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 19	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [Miscellaneous]:	\$ 8,029	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 66,293	\$ -	
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 66,293	\$ -	<b>GRAND TOTALS</b>
							\$ 66,293

**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/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Conservation Trust Fund		Water Utility Fund	Sewer Utility Fund	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ 36,172	\$ -	General Operating & Administrative	\$ 671	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 18,703	\$ 9,060	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 1,421	\$ 682	
3-4	Fire	\$ 4,225	\$ -	Contract Services	\$ 10,200	\$ -	
3-5	Highways & Streets	\$ 21,230	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 3,906	\$ 3,255	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 13,560	\$ 9,806	
3-9	Culture and Recreation	\$ -	\$ 346	Supplies	\$ 3,839	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 4,257	\$ 2,661	
3-11	Other:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12	Community Development	\$ 3,738	\$ -	Other [WATER TESTING]	\$ 2,503	\$ -	
3-13		\$ -	\$ -	Miscellaneous	\$ 3,683	\$ 3,217	
3-14	Capital Outlay	\$ -	\$ -	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	<b>Add lines 3-1 through 3-21</b>			<b>Add lines 3-1 through 3-21</b>			<b>GRAND TOTAL</b>
	<b>TOTAL EXPENDITURES</b>	\$ 65,365	\$ 346	<b>TOTAL EXPENSES</b>	\$ 62,743	\$ 28,681	\$ 157,135
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ 9,620	\$ 34,742	
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, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>	\$ (9,620)	\$ (34,742)	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	<b>TOTAL GAAP RECONCILING ITEMS</b>	\$ (9,620)	\$ (34,742)	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures			Net Increase (Decrease) in Net Position			
	Line 2-29, less line 3-22, plus line 3-29	\$ (6,752)	\$ 2,226	Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ (21,280)	\$ (36,476)	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 73,584	\$ 30,714	Net Position, January 1 from December 31 prior year report	\$ 351,965	\$ 574,020	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31			Net Position, December 31			
	Sum of Line 3-30, 3-31, and 3-32			Line 3-30 plus line 3-31			
	This total should be the same as line 1-36.	\$ 66,832	\$ 32,940	This total should be the same as line 1-36.	\$ 330,685	\$ 537,544	

**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 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Garbage Utility Fund	Fund*	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 227	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 42,551	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 3,296	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 3,255	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 3,546	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ 703	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 1,064	\$ -	
3-11	Other:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12	Community Development	\$ -	\$ -	Other [Garbage Collection and Landfill Fees]	\$ 6,365	\$ -	
3-13		\$ -	\$ -	Fuel	\$ 4,898	\$ -	
3-14	Capital Outlay	\$ -	\$ -	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	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ 65,905	\$ -	<b>GRAND TOTAL</b>
	<b>TOTAL EXPENDITURES</b>	\$ -	\$ -	<b>TOTAL EXPENSES</b>	\$ 65,905	\$ -	\$ 65,905
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ 2,302	\$ -	
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, 3-16)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>	\$ -	\$ -	<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>	\$ (2,302)	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	<b>TOTAL GAAP RECONCILING ITEMS</b>	\$ (2,302)	\$ -	
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	\$ (1,914)	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 55,296	\$ -	
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.	\$ 53,382	\$ -	

**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? \_\_\_\_\_
- What is the original date of the lease? \_\_\_\_\_
- Number of years of lease? \_\_\_\_\_
- Is the lease subject to annual appropriation?  YES       NO
- What are the annual lease payments? \$ -

## 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	\$ 201,443	
5-2	Certificates of deposit	\$ 45,196	
TOTAL CASH DEPOSITS			\$ 246,639

Investments (if investment is a mutual fund, please list underlying investments):

		\$ -	
		\$ -	
		\$ -	
		\$ -	
TOTAL INVESTMENTS			\$ -
TOTAL CASH AND INVESTMENTS			\$ 246,639

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	\$ 125,947	\$ -	\$ -	\$ 125,947
Buildings	\$ 81,223	\$ -	\$ -	\$ 81,223
Machinery and equipment	\$ 486,707	\$ -	\$ -	\$ 486,707
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (WATER RIGHTS):	\$ 14,400	\$ -	\$ -	\$ 14,400
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (515,254)	\$ (15,792)	\$ -	\$ (531,046)
<b>TOTAL</b>	<b>\$ 193,023</b>	<b>\$ (15,792)</b>	<b>\$ -</b>	<b>\$ 177,231</b>

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Buildings	\$ 12,940	\$ -	\$ -	\$ 12,940
Machinery and equipment	\$ 148,961	\$ -	\$ -	\$ 148,961
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (WATER AND SEWER SYSTEMS):	\$ 1,725,703	\$ -	\$ -	\$ 1,725,703
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (1,087,693)	\$ (46,664)	\$ -	\$ (1,134,357)
<b>TOTAL</b>	<b>\$ 802,411</b>	<b>\$ (46,664)</b>	<b>\$ -</b>	<b>\$ 755,747</b>

\*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.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>
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	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:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please use this space to provide any explanations or comments:

**GARBAGE UTILITY FUND - \$52,390**

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

Fund Name	Budgeted Expenditures/Expenses
GENERAL FUND	\$ 36,545
CONSERVATION TRUST FUND	\$ 510
WATER UTILITY FUND	\$ 40,800
SEWER UTILITY FUND	\$ 35,510

### PART 9 - TAX PAYER'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, Section 20(5)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the

Please use this space to provide any explanations or comments:

### PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box

		YES	NO
10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date of formation: <input style="width: 150px; height: 30px;" type="text"/>		
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes:	NEW name <input style="width: 380px; height: 20px;" type="text"/>		
	PRIOR name <input style="width: 380px; height: 20px;" type="text"/>		
10-3	Is the entity a metropolitan district?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-4	Please indicate what services the entity provides: <input style="width: 440px; height: 20px;" type="text"/>		
10-5	Does the entity have an agreement with another government to provide services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	List the name of the other governmental entity and the services provided: <input style="width: 440px; height: 20px;" type="text"/>		
10-6	Does the entity have a certified mill levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):		
	Bond Redemption mills <input style="width: 50px;" type="text" value="0.000"/>		
	General/Other mills <input style="width: 50px;" type="text" value="25.136"/>		
	<b>Total mills</b> <input style="width: 50px;" type="text" value="25.136"/>		

Please use this space to provide any explanations or comments:

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

**OSA USE ONLY**

<b>Entity Wide:</b>		<b>General Fund</b>		<b>Governmental Funds</b>		<b>Notes</b>
Unrestricted Cash & Investments	\$ 246,639	Unrestricted Fund Balan	\$ 64,832	Total Tax Revenue	\$ 24,485	
Current Liabilities	\$ 48,008	Total Fund Balance	\$ 66,832	Revenue Paying Debt Service	\$ -	
Deferred Inflow	\$ 12,900	PY Fund Balance	\$ 73,584	Total Revenue	\$ 61,185	
		Total Revenue	\$ 58,613	Total Debt Service Principal	\$ -	
		Total Expenditures	\$ 65,365	Total Debt Service Interest	\$ -	
		Interfund In	\$ -			
<b>Governmental</b>		Interfund Out	\$ -	<b>Enterprise Funds</b>		
Total Cash & Investments	\$ 89,765	<b>Proprietary</b>		Net Position	\$ 868,229	
Transfers In	\$ -	- Current Assets	\$ 131,664	PY Net Position	\$ 925,985	
Transfers Out	\$ -	Deferred Outflow	\$ -	<b>Government-Wide</b>		
Property Tax	\$ 12,819	- Current Liabilities	\$ 7,674	Total Outstanding Debt	\$ -	
Debt Service Principal	\$ -	Deferred Inflow	\$ -	- Authorized but Unissued	\$ -	
Total Expenditures	\$ 65,711	- Cash & Investments	\$ 87,024	Year Authorized	1/0/1900	
Total Developer Advances	\$ -	- Principal Expense	\$ -			
Total Developer Repayments	\$ -					

**PART 12 - GOVERNING BODY APPROVAL**

Please answer the following question by marking in the appropriate box

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

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

**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 body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual 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 members of the governing body below.

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

#	Full Name	Signature, Attestation, Date, and Term Expires
1	<b>DAVE HOWARD, MAYOR</b>	I, <u>Dave Howard</u> , 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>Dave Howard</u> Date: <u>3-22-21</u> My term Expires: <u>2024</u>
2	<b>CANDI PATTON, TRUSTEE</b>	I, <u>Candice Patton</u> , 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>Candice Patton</u> Date: <u>3/23/21</u> My term Expires: <u>2024</u>
3	<b>ALEX EGRI, TRUSTEE</b>	I, <u>Alex Egri</u> , 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>Alex Egri</u> Date: <u>3/23/21</u> My term Expires: <u>2022</u>
4	<b>TYLER GRAHAM, TRUSTEE</b>	I, <u>Tyler Graham</u> , 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>Tyler Graham</u> Date: _____ My term Expires: <u>2024</u>
5	<b>CRAIG PHILLIPS, TRUSTEE</b>	I, <u>Craig Phillips</u> , 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>Craig Phillips</u> Date: <u>3-23-2021</u> My term Expires: <u>2022</u>
6	Full 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: _____
7	Full 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: _____

**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 2020 FOR THE TOWN OF CHERAW, STATE OF COLORADO.

WHEREAS, the Board of Trustees of the Town of Cheraw, Colorado wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S. states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

WHEREAS, neither revenues nor expenditures for the Town of Cheraw, Colorado exceeded \$750,000 for the Year 2020; and

WHEREAS, an application for exemption from audit for the Town of Cheraw, Colorado has been prepared by Hancock Froese & Company LLC, an independent accountant with knowledge of governmental accounting; and

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

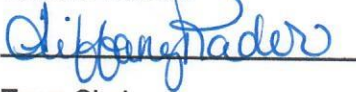
NOW THEREFORE, be it resolved by the Board of Trustees of the Town of Cheraw, Colorado that the application for exemption from audit for the Town of Cheraw, Colorado for the year ended December 31, 2020, has been personally reviewed and is hereby approved by a majority of the Board of Trustees of the Town of Cheraw, Colorado; that those members of the Board of Trustees 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 Cheraw, Colorado for the year ended December 31, 2020.

ADOPTED THIS 26 day of March, A.D. 2021.



Mayor

David S Howard



Town Clerk

Tiffany Rader

Members of Governing Body	Date Term Expires	Signature
Alex Egri	<u>2022</u>	
Tyler Graham	<u>2024</u>	
Craig Phillips	<u>2022</u>	
Candi Patton	<u>2024</u>	

# HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS  
601 SOUTH EIGHTH STREET  
ROCKY FORD, COLORADO 81067

Patrick A. Hancock CPA 719-688-0812  
Andrew H. Froese CPA 719-980-1962

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Town Trustees  
Town of Cheraw, Colorado  
Cheraw, Colorado

Management is responsible for the accompanying financial statements of the Town of Cheraw, Colorado, which comprise the balance sheet as of December 31, 2020, and the related operating statement of revenue and expenditures 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. We do not express an opinion, a conclusion, nor provide any assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are intended to comply with the requirements of the State of 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.

The accompany supplementary information contained in Parts 4 through 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any of assurance on such information.

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

*Hancock Froese & Company LLC*

HANCOCK FROESE & COMPANY LLC

March 18, 2021