

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT
ADDRESS

TOWN OF CHERAW, COLORADO

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
12/31/2021
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

3/15/2022

RELATIONSHIP TO ENTITY

PERFORM COMPILATION ENGAGEMENT & FINANCIAL STATEMENTS PREPARED IN THE PRESCRIBED FORM REQUIRED BY STATE AUDITOR

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:

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 Fund	Sewer Fund	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ 26,994	\$ 35,924	Cash & Cash Equivalents	\$ 3,707	\$ 97,743	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ 21,255	\$ -	Receivables	\$ 192,836	\$ -	
1-4	Due from Other Entities or Funds	\$ 46,983	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ 13,300	\$ -	Other Current Assets [specify...]			
	All Other Assets [specify...]			DUE FROM GENERAL FUND	\$ 35,655	\$ -	
1-6		\$ -	\$ -	Total Current Assets	\$ 232,198	\$ 97,743	
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ 465,942	\$ 416,772	
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 108,532	\$ 35,924	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 698,140	\$ 514,515	
Deferred Outflows of Resources				Deferred Outflows of Resources			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 108,532	\$ 35,924	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 698,140	\$ 514,515	
Liabilities				Liabilities			
1-16	Accounts Payable	\$ 1,081	\$ -	Accounts Payable	\$ 182,947	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ 3,311	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-19	Due to Other Entities or Funds	\$ 35,655	\$ -	Due to Other Entities or Funds	\$ -	\$ 7,549	
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-21	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 40,047	\$ -	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 182,947	\$ 7,549	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 40,047	\$ -	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 182,947	\$ 7,549	
Deferred Inflows of Resources				Deferred Inflows of Resources			
1-28	Deferred Property Taxes	\$ 13,300	\$ -	Pension Related	\$ -	\$ -	
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ 13,300	\$ -	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	
Fund Balance				Net Position			
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 465,942	\$ 416,772	
1-32	Nonspendable Inventory	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-33	Restricted - TABOR (GF) / CONSERVATION TRUST (CTF)	\$ 1,800	\$ 35,924	Other Designations/Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 49,251	\$ 90,194	
1-36	Unassigned:	\$ 53,385	\$ -				
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ 55,185	\$ 35,924	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ 515,193	\$ 506,966	
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 108,532	\$ 35,924	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 698,140	\$ 514,515	

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

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #		Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
			Fund*	Fund*		Garbage Fund	Fund*
Assets			Assets				
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 76,152	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ 1,408	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets [specify...]	\$ -	\$ -	
	All Other Assets [specify...]	\$ -	\$ -		\$ -	\$ -	
1-6		\$ -	\$ -		\$ -	\$ -	
1-7		\$ -	\$ -		\$ -	\$ -	
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	\$ 86,766	\$ -	
Deferred Outflows of Resources			Deferred Outflows of Resources				
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 86,766	\$ -	
Liabilities			Liabilities				
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 2,770	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-19	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ 39,434	\$ -	
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-21	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	\$ -	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 42,204	\$ -	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -	CLOSURE & POST CLOSURE COSTS	\$ 8,600	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 50,804	\$ -	
Deferred Inflows of Resources			Deferred Inflows of Resources				
1-28	Deferred Property Taxes	\$ -	\$ -	Pension Related	\$ -	\$ -	
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	
Fund Balance			Net Position				
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 9,206	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 26,756	\$ -	
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ 35,962	\$ -	
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ -	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 86,766	\$ -	

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

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

		Governmental Funds		Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page	
Line #	Description	General Fund	Conservation Trust Fund	Description	Water Fund		Sewer Fund
Tax Revenue							
2-1	Property [include mills levied in Question 10-6]	\$ 13,982	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ 2,826	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue - FRANCHISE TAX:	\$ 9,002	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5	MOTOR VEHICLE REGISTRATION	\$ 1,138	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 26,948	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ 9,113	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ 2,951	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	\$ 4,821	\$ -	Grants	\$ 214,129	\$ -	
2-15	Donations	\$ 5,400	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 37,952	\$ 30,112	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 856	\$ 33	Interest/Investment Income	\$ 5	\$ 174	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other - COUNTY ROAD & BRIDGE:	\$ 1,065	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23	MISCELLANEOUS REVENUE	\$ 201	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 48,404	\$ 2,984	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 252,086	\$ 30,286	
Other Financing Sources							
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
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	\$ -	\$ -	GRAND TOTALS
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 48,404	\$ 2,984	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 252,086	\$ 30,286	
							\$ 333,760

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

		Governmental Funds				Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page	
Line #	Description	Fund*	Fund*	Description	Garbage Fund	Fund*			
Tax Revenue									
2-1	Property [include mills levied in Question 10-6]	\$	-	\$	-	\$	-		
2-2	Specific Ownership	\$	-	\$	-	\$	-		
2-3	Sales and Use Tax	\$	-	\$	-	\$	-		
2-4	Other Tax Revenue [specify...]:	\$	-	\$	-	\$	-		
2-5		\$	-	\$	-	\$	-		
2-6		\$	-	\$	-	\$	-		
2-7		\$	-	\$	-	\$	-		
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$	-	\$	-	\$	-		
Tax Revenue									
	Property [include mills levied in Question 10-6]	\$	-	\$	-	\$	-		
	Specific Ownership	\$	-	\$	-	\$	-		
	Sales and Use Tax	\$	-	\$	-	\$	-		
	Other Tax Revenue [specify...]:	\$	-	\$	-	\$	-		
		\$	-	\$	-	\$	-		
		\$	-	\$	-	\$	-		
	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$	-	\$	-	\$	-		
2-9	Licenses and Permits	\$	-	\$	-	\$	-		
2-10	Highway Users Tax Funds (HUTF)	\$	-	\$	-	\$	-		
2-11	Conservation Trust Funds (Lottery)	\$	-	\$	-	\$	-		
2-12	Community Development Block Grant	\$	-	\$	-	\$	-		
2-13	Fire & Police Pension	\$	-	\$	-	\$	-		
2-14	Grants	\$	-	\$	-	\$	-		
2-15	Donations	\$	-	\$	-	\$	-		
2-16	Charges for Sales and Services	\$	-	\$	-	\$	-		
2-17	Rental Income	\$	-	\$	-	\$	-		
2-18	Fines and Forfeits	\$	-	\$	-	\$	-		
2-19	Interest/Investment Income	\$	-	\$	-	\$	-		
2-20	Tap Fees	\$	-	\$	-	\$	-		
2-21	Proceeds from Sale of Capital Assets	\$	-	\$	-	\$	-		
2-22	All Other [specify...]:	\$	-	\$	-	\$	-		
2-23		\$	-	\$	-	\$	-		
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$	-	\$	-	\$	-		
Other Financing Sources									
2-25	Debt Proceeds	\$	-	\$	-	\$	-		
2-26	Developer Advances	\$	-	\$	-	\$	-		
2-27	Other [specify...]:	\$	-	\$	-	\$	-		
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$	-	\$	-	\$	-		
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$	-	\$	-	\$	-		
Other Financing Sources									
	Debt Proceeds	\$	-	\$	-	\$	-		
	Developer Advances	\$	-	\$	-	\$	-		
	Other [specify...]:	\$	-	\$	-	\$	-		
	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$	-	\$	-	\$	-		
	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$	-	\$	-	\$	-		
							GRAND TOTALS		
							\$ 59,043	\$ -	\$ 59,043

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 Fund	Sewer Fund	
Expenditures							
3-1	General Government	\$ 32,135	\$ -	Expenses			
3-2	Judicial	\$ -	\$ -	General Operating & Administrative	\$ 3,253	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Salaries	\$ 15,408	\$ 15,408	
3-4	Fire	\$ 24,482	\$ -	Payroll Taxes	\$ 1,208	\$ 1,208	
3-5	Highways & Streets	\$ 3,434	\$ -	Contract Services	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Insurance	\$ 2,382	\$ 2,382	
3-8	Health	\$ -	\$ -	Accounting and Legal Fees	\$ 1,100	\$ 1,100	
3-9	Culture and Recreation	\$ -	\$ -	Repair and Maintenance	\$ 23,237	\$ 2,500	
3-10	Transfers to other districts	\$ -	\$ -	Supplies	\$ 3,801	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Utilities	\$ 6,168	\$ 3,524	
3-12		\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-13		\$ -	\$ -	Other - WATER TESTING	\$ 1,401	\$ -	
3-14	Capital Outlay	\$ -	\$ -		\$ -	\$ -	
	Debt Service	\$ -	\$ -	Capital Outlay	\$ 182,837	\$ -	
				Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ 60,051	\$ -	Add lines 3-1 through 3-21 TOTAL EXPENSES	\$ 240,795	\$ 26,122	GRAND TOTAL
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 326,968
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)	\$ 182,837	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ 173,217	\$ (34,742)	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ (11,647)	\$ 2,984	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ 184,508	\$ (30,578)	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 66,832	\$ 32,940	Net Position, January 1 from December 31 prior year report	\$ 330,685	\$ 537,544	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ 55,185	\$ 35,924	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ 515,193	\$ 506,966	

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 Fund	Fund*	
Expenditures				Expenses			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 46,287	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 3,597	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 2,381	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 1,100	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 9,419	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ 701	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 1,762	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other - GARBAGE COLLECTION & LANDFILL FEES	\$ 8,914	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ -	\$ -	Add lines 3-1 through 3-21 TOTAL EXPENSES	\$ 74,161	\$ -	GRAND TOTAL
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 74,161
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, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ (2,302)	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ (17,420)	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 53,382	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ 35,962	\$ -	

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 [Section 29-1-605(2) C.R.S.]? ☐ 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
5-1 YEAR-END Total of ALL Checking and Savings accounts	\$ 205,347	
5-2 Certificates of deposit	\$ 35,173	
TOTAL CASH DEPOSITS		\$ 240,520
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
TOTAL INVESTMENTS		\$ -
TOTAL CASH AND INVESTMENTS		\$ 240,520

Please use this space to provide any explanations or comments:

Please answer the following question by marking in the appropriate box

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?

☒

☐

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 for GOVERNMENTAL FUNDS:				
	Balance - beginning of the year 1	Additions 2	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 (explain):	\$ 14,400	\$ -	\$ -	\$ 14,400
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (531,046)	\$ (6,354)	\$ -	\$ (537,400)
TOTAL	\$ 177,231	\$ (6,354)	\$ -	\$ 170,877

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)	\$ -	\$ 182,837	\$ -	\$ 182,837
Other (explain):	\$ 1,725,703	\$ -	\$ -	\$ 1,725,703
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (1,134,357)	\$ (46,664)	\$ -	\$ (1,181,021)
TOTAL	\$ 755,747	\$ 136,173	\$ -	\$ 891,920

* Must agree to prior year-end balance

- Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

7-1 Does the entity have an "old hire" firefighters' pension plan?

YES

NO

Please use this space to provide any explanations or comments:

7-2 Does the entity have a volunteer firefighters' 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 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:	☒	☐	☐
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 separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
GENERAL FUND	\$ 38,755
CONSERVATION TRUST FUND	\$ 10,000
WATER UTILITY FUND	\$ 36,475
SEWER UTILITY FUND	\$ 27,170

Please use this space to provide any explanations or comments:

GARBAGE UTILITY FUND - \$47,339

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)]?	☒	☐

Please use this space to provide any explanations or comments:

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 Is this application for a newly formed governmental entity?	☐	☒

Please use this space to provide any explanations or comments:

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:

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:

10-6 Does the entity have a certified mill levy?

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

Bond Redemption mills	0.000
General/Other mills	25.136
Total mills	25.136

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	\$	240,520	Unrestricted Fund Balan	\$	53,385	Total Tax Revenue	\$		26,948
Current Liabilities	\$	230,543	Total Fund Balance	\$	55,185	Revenue Paying Debt Service	\$	-	
Deferred Inflow	\$	13,300	PY Fund Balance	\$	66,832	Total Revenue	\$	51,388	
			Total Revenue	\$	48,404	Total Debt Service Principal	\$	-	
			Total Expenditures	\$	60,051	Total Debt Service Interest	\$	-	
Governmental			Interfund In	\$	-				
Total Cash & Investments	\$	62,918	Interfund Out	\$	-	Enterprise Funds			
Transfers In	\$	-	Proprietary			Net Position	\$	1,022,159	
Transfers Out	\$	-	Current Assets	\$	329,941	PY Net Position	\$	868,229	
Property Tax	\$	13,982	Deferred Outflow	\$	-	Government-Wide			
Debt Service Principal	\$	-	Current Liabilities	\$	190,496	Total Outstanding Debt	\$	-	
Total Expenditures	\$	60,051	Deferred Inflow	\$	-	Authorized but Unissued	\$	-	
Total Developer Advances	\$	-	Cash & Investments	\$	101,450	Year Authorized		1/0/1900	
Total Developer Repayments	\$	-	Principal Expense	\$	-				

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

☐

☐

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.

1	Full Name Dave Howard	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>[Signature]</u> Date: <u>3-22-22</u> My term Expires: <u>April 2024</u>
2	Full Name Tyler Graham	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>[Signature]</u> Date: <u>3-22-22</u> My term Expires: <u>April 2024</u>
3	Full Name Alex Egri	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: _____
4	Full Name Candi Patton	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: _____
5	Full Name Craig Phillips	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>[Signature]</u> Date: <u>3-22-2022</u> My term Expires: <u>April 2026</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 2021 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 2021; 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

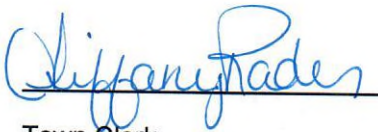
WHEREAS, said application for exemption has been completed in accordance with regulations, issued by the State Auditor.

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, 2021, 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, 2021.

ADOPTED THIS 28 day of March, A.D. 2021.



Mayor



Town Clerk

Members of Governing Body

Date
Term
Expires

Signature

Tyler Graham
Alex Egri

2024
2022

[Signature]
[Signature]

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, 2021, 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 15, 2022