Town of Eckley

Application for Exemption from Audit

December 31, 2025

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 Eckley
Eckley, Colorado

Management is responsible for the accompanying financial statements of Town of Eckley as of December 31, 2025, and 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 presented in accordance with the 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 Eckley 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
March 27, 2026

Application for Exemption From Audit
Long Form

Instructions

For local governments with either revenues or expenditures/expenses more than $200,000 but not more than $1,000,000

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.), any local government may apply for an exemption from audit if neither revenues nor expenditures exceed $1,000,000 for the year.

Exemptions from audit are **NOT** automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Long Form must be a person skilled in governmental accounting.

Read **ALL** instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis.** Proprietary Activity should be reported on the **Cash or Budgetary Basis** — a budget to GAAP reconciliation is provided in Part 3B.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the LexisNexis Colorado portal.

Checklist

- ☑ Has the preparer signed the application prior to board approval?
- ☑ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☑ Has the application been **personally** reviewed and approved by the governing body?
- ☑ Are all sections on the form complete, including responses to all of the questions?
- ☑ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically? ◉ Yes ○ No

- ☑ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.

-- or --

☑ If yes, have you included a resolution?

☑ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?

☑ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ○ Yes ◉ No

☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lg

For faster processing, the web portal should be used for submissions.

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? **Email:** osa.lg@coleg.gov **Phone:** 303-869-3000

Contact Information

For the year ended December 31, 2025 or the fiscal year ended _____.

Name of government	Town of Eckley
Street address	235 N.W. Morton, P.O. Box 217
City, State, Zip	Eckley, Colorado 80727
Contact person	Kyle Spencer
Phone	970-359-2222
Email	eckleytownhall@plainstel.com

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. The preparer must sign prior to board approval.

Name	Scott Szabo
Title	Certified Public Accountant
Firm name (if applicable)	Lauer, Szabo & Associates, P.C.
Address	205 Main Street - P.O. Box 1886, Sterling, Colorado 80751
Phone	970-522-2218
Relationship to entity	We are an independent firm of certified public accountants.

Preparer signature	Date prepared
Scott Szabo Digitally signed by Scott Szabo Date: 2026.03.27 08:23:33 -06'00'	March 27, 2026

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, enter date filed		

Part 1: Financial Statements — Balance Sheet

Part 1A: Governmental Funds (Modified Accrual Basis) Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: Community Center Fund

Fund C: Conservation Trust Fund

Fund D: Park Revitalization Fund

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-1	Cash and Cash Equivalents	$ 240,326	$ 29,529	$ 10,319	$ 7,048
1-2	Investments	$ 21,740			
1-3	Receivables	$ 18,731			
1-4	Due from Other Entities or Funds	$ 29,018			
1-5	Property Tax Receivable	$ 32,648			
1-6	All Other Assets:				
1-7	Lease Receivable (as Lessor)				
	Other (specify in lines 1-8 through 1-10)				
1-8					
1-9					
1-10					
1-11	**TOTAL ASSETS** (Add lines 1-1 through 1-10)	$ 342,463	$ 29,529	$ 10,319	$ 7,048
	Deferred Outflows of Resources (specify in lines 1-12 and 1-13)				
1-12					
1-13					
1-14	**Total Deferred Outflows** (Add lines 1-12 through 1-13)	$ 0	$ 0	$ 0	$ 0
1-15	**TOTAL ASSETS AND DEFERRED OUTFLOWS** (Add lines 1-11 and 1-14)	$ 342,463	$ 29,529	$ 10,319	$ 7,048

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-16	Accounts Payable	$ 1,680			
1-17	Accrued Payroll and Related Liabilities	$ 4,833			
1-18	Unearned Revenue	$ 105			
1-19	Due to Other Entities or Funds	$ 56,711			
1-20	All Other Current Liabilities				
1-21	**TOTAL CURRENT LIABILITIES** (Add lines 1-16 through 1-20)	$ 63,329	$ 0	$ 0	$ 0
	All Other Liabilities (specify in lines 1-22 through 1-25)				
1-22					
1-23					
1-24					
1-25					
1-26	**TOTAL LIABILITIES** (Add lines 1-21 through 1-25)	$ 63,329	$ 0	$ 0	$ 0
	Deferred Inflows of Resources				
1-27	Deferred Property Taxes	$ 32,648			
1-28	Lease related (as Lessor)				
1-29	**TOTAL DEFERRED INFLOWS** (Add lines 1-27 through 1-28)	$ 32,648	$ 0	$ 0	$ 0
	Fund Balance				
1-30	Nonspendable-Prepaid				
1-31	Nonspendable-Inventory				
1-32	Restricted	$ 6,900		$ 10,319	
1-33	Committed		$ 29,529		$ 7,048
1-34	Assigned				
1-35	Unassigned	$ 239,586			
1-36	**Total Fund Balance** (Add lines 1-30 through 1-35. This total should be the same as line 3-34)	$ 246,486	$ 29,529	$ 10,319	$ 7,048
1-37	**TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE** (Add lines 1-26, 1-29, and 1-36. This total should be the same as line 1-15)	$ 342,463	$ 29,529	$ 10,319	$ 7,048

Part 1B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: Water Fund

Fund B: Sewer Fund

Fund C: Fire Pension Fund

Fund D:

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Assets				
1-38	Cash and Cash Equivalents	$ 124,009	$ 39,345	$ 1,309	
1-39	Investments	$ 166			
1-40	Receivables	$ 9,198	$ 8,014		
1-41	Due from Other Entities or Funds	$ 159,476			
	Other Current Assets (specify in line 1-42)				
1-42					
1-43	**Total Current Assets** (Add lines 1-38 through 1-42)	$ 292,849	$ 47,359	$ 1,309	$ 0
1-44	Capital & Right-to-Use Assets, net (from Part 6, Capital & Right-to-Use Table)	$ 3,366,955	$ 3,184,672		
	Other Long Term Assets (specify in lines 1-45 through 1-47)				
1-45					
1-46					
1-47					
1-48	**TOTAL ASSETS** (Add lines 1-43 through 1-47)	$ 3,659,804	$ 3,232,031	$ 1,309	$ 0
	Deferred Outflows of Resources (specify in lines 1-49 through 1-50)				
1-49					
1-50					
1-51	**Total Deferred Outflows** (Add lines 1-49 through 1-50)	$ 0	$ 0	$ 0	$ 0
1-52	**TOTAL ASSETS AND DEFERRED OUTFLOWS** (Add lines 1-48 and 1-51)	$ 3,659,804	$ 3,232,031	$ 1,309	$ 0

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Liabilities				
1-53	Accounts Payable	$ 468	$ 934		
1-54	Accrued Payroll and Related Liabilities				
1-55	Accrued Interest Payable	$ 523	$ 663		
1-56	Due to Other Entities or Funds		$ 131,515		
1-57	All Other Current Liabilities	$ 9,388	$ 7,499		
1-58	**TOTAL CURRENT LIABILITIES** (Add lines 1-53 through 1-57)	$ 10,379	$ 140,611	$ 0	$ 0
1-59	Proprietary Debt Outstanding (from Part 4, Debt Schedule Table)	$ 640,425	$ 578,998		
	Other (specify in lines 1-60 through 1-62)				
1-60					
1-61					
1-62					
1-63	**TOTAL LIABILITIES** (Add lines 1-58 through 1-62)	$ 650,804	$ 719,609	$ 0	$ 0
	Deferred Inflows of Resources				
1-64	Pension/OPEB Related				
	Other (specify in line 1-65)				
1-65					
1-66	**TOTAL DEFERRED INFLOWS** (Add lines 1-64 through 1-65)	$ 0	$ 0	$ 0	$ 0
	Net Position				
1-67	Net Investment in Capital and Right-to-Use Assets	$ 2,726,530	$ 2,605,674		
1-68	Emergency Reserves				
1-69	Other Designation/Reserves				
1-70	Restricted			$ 1,309	
1-71	Undesignated/Unreserved/Unrestricted	$ 282,470	-$ 93,252		
1-72	**Total Net Position** (Add lines 1-67 through 1-71. This total should be the same as 3-70.)	$ 3,009,000	$ 2,512,422	$ 1,309	$ 0
1-73	**TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION** (Add lines 1-63, 1-66, and 1-72. This total should be the same as 1-52.)	$ 3,659,804	$ 3,232,031	$ 1,309	$ 0

Part 1C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 2: Financial Statements — Operating Statement — Revenues

Part 2A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: Community Center Fund

Fund C: Conservation Trust Fund

Fund D: Park Revitalization Fund

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-1	Property (include mills levied in question 10-12)	$ 30,496			
2-2	Specific Ownership	$ 3,086			
2-3	Sales and Use Tax	$ 65,692			
	Other Tax Revenue (specify in lines 2-4 through 2-6)				
2-4	Delinquent Taxes and Interest	$ 112			
2-5	Franchise Taxes	$ 4,200			
2-6	Other Taxes	$ 2,523			
2-7	**TOTAL TAX REVENUE** (Add lines 2-1 through 2-6)	$ 106,109	$ 0	$ 0	$ 0
	Other Revenue Sources				
2-8	Licenses and Permits	$ 859			
2-9	Highway Users Tax Funds (HUTF)	$ 20,467			
2-10	Conservation Trust Funds (Lottery)			$ 2,838	
2-11	Community Development Block Grant				
2-12	Fire & Police Pension				
2-13	Grants				
2-14	Donations		$ 2,507		
2-15	Charges for Sales and Services	$ 26,976			
2-16	Rental Income		$ 9,411		

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
2-17	Fines and Forfeits	$ 1,210			
2-18	Interest/Investment Income	$ 838	$ 36	$ 10	
2-19	Tap Fees				
2-20	Proceeds from Sale of Capital Assets				
	Other (specify in lines 2-21 through 2-22)				
2-21	Miscellaneous	$ 8,775	$ 1,272		
2-22	Fundraising		$ 20,468		$ 6,458
2-23	**TOTAL REVENUES** (Add lines 2-7 through 2-22)	$ 165,234	$ 33,694	$ 2,848	$ 6,458
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-24	Debt Proceeds				
2-25	Lease Proceeds				
2-26	Developer Advances				
	Other (specify in line 2-27)				
2-27					
2-28	**Total Other Financing Sources** (Add lines 2-24 through 2-27)	$ 0	$ 0	$ 0	$ 0
2-29	**TOTAL REVENUES AND OTHER FINANCING SOURCES** (Add lines 2-23 and 2-28)	$ 165,234	$ 33,694	$ 2,848	$ 6,458

Part 2B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: Water Fund

Fund B: Sewer Fund

Fund C: Fire Pension Fund

Fund D:

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Tax Revenue				
2-30	Property (include mills levied in question 10-12)				
2-31	Specific Ownership				
2-32	Sales and Use Tax				
	Other Tax Revenue (specify in lines 2-33 through 2-36)				
2-33					
2-34					
2-35					
2-36	**TOTAL TAX REVENUE** (Add lines 2-30 through 2-35)	$ 0	$ 0	$ 0	$ 0
	Other Revenue Sources				
2-37	Licenses and Permits				
2-38	Highway Users Tax Funds (HUTF)				
2-39	Conservation Trust Funds (Lottery)				
2-40	Community Development Block Grant				
2-41	Fire & Police Pension				
2-42	Grants				
2-43	Donations				
2-44	Charges for Sales and Services	$ 88,936	$ 56,407		
2-45	Rental Income				
2-46	Fines and Forfeits				
2-47	Interest/Investment Income	$ 7			

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
2-48	Tap Fees				
2-49	Proceeds from Sale of Capital Assets				
	All Other (specify in lines 2-50 through 2-51)				
2-50	Legal Settlement		$ 600,000		
2-51	Contributions			$ 4,500	
2-52	**TOTAL REVENUES** (Add lines 2-36 through 2-51)	$ 88,943	$ 656,407	$ 4,500	$ 0
	Other Financing Sources (should agree to Part 4, Debt Schedule Table, column 'issued during the year')				
2-53	Debt Proceeds				
2-54	Lease Proceeds				
2-55	Developer Advances				
	Other (specify in line 2-56)				
2-56					
2-57	**Total Other Financing Sources** (Add lines 2-53 through 2-56)	$ 0	$ 0	$ 0	$ 0
2-58	**TOTAL REVENUES AND OTHER FINANCING SOURCES** (Add lines 2-52 and 2-57)	$ 88,943	$ 656,407	$ 4,500	$ 0

Part 2C: Comments or Additional Information

Please use this space to provide explanation of any item in this section (optional).

Part 3: Financial Statements — Operating Statement — Expenditures/Expenses

Part 3A: Governmental Funds Table

Enter the type of each governmental fund in the fields below.

Fund A: General Fund

Fund B: Community Center Fund

Fund C: Conservation Trust Fund

Fund D: Park Revitalization Fund

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenditures				
3-1	General Government	$ 67,126			
3-2	Judicial				
3-3	Law Enforcement	$ 7,116			
3-4	Fire	$ 17,394			
3-5	Highways & Streets	$ 21,663			
3-6	Solid Waste	$ 25,260			
3-7	Contributions to Fire & Police Pension Association				
3-8	Health				
3-9	Culture and Recreation	$ 6,489	$ 34,341		$ 410
3-10	Transfers to other districts				
	Other (specify in lines 3-11 through 3-13)				
3-11					
3-12					
3-13					
3-14	Capital Outlay	$ 7,733	$ 13,417		
	Debt Service				
3-15	Principal (from Part 4, Debt Schedule Table)				
3-16	Interest				

Line	Description	Governmental Fund			
		Fund A	Fund B	Fund C	Fund D
3-17	Bond Issuance Costs				
3-18	Developer Principal Repayments (from Part 4, Debt Schedule Table)				
3-19	Developer Interest Repayments				
	All Other (specify in lines 3-20 through 3-22)				
3-20					
3-21					
3-22					
3-23	**TOTAL EXPENDITURES** (Add lines 3-1 through 3-22)	$ 152,781	$ 47,758	$ 0	$ 410
	Transfers and Other Expenditures				
3-24	Interfund Transfers (In)		-$ 2,158		-$ 1,000
3-25	Interfund Transfers (Out)	$ 1,000		$ 2,158	
	Other Expenditures (Revenues) (Specify in lines 3-26 through 3-28.)				
3-26					
3-27					
3-28					
3-29	**Total Transfers and Other Expenditures** (Add lines 3-24 through 3-28)	$ 1,000	-$ 2,158	$ 2,158	-$ 1,000
3-30	**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES** (line 2-29 less line 3-23 less line 3-29)	$ 11,453	-$ 11,906	$ 690	$ 7,048
3-31	Fund Balance, January 1 from December 31 prior year report	$ 235,033	$ 41,435	$ 9,629	$ 0
3-32	Prior Period Adjustment (MUST explain in line 3-33)				
3-33					
3-34	**FUND BALANCE, DECEMBER 31** (Add lines 3-30, 3-31, and 3-32. Should match line 1-36.)	$ 246,486	$ 29,529	$ 10,319	$ 7,048

Part 3B: Proprietary/Fiduciary Funds Table

Enter the type of each proprietary/fiduciary fund in the fields below.

Fund A: Water Fund

Fund B: Sewer Fund

Fund C: Fire Pension Fund

Fund D:

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
	Expenses				
3-35	General Operating and Administrative	$ 3,901	$ 1,208	$ 390	
3-36	Salaries	$ 12,600	$ 5,080		
3-37	Payroll Taxes				
3-38	Contract Services	$ 4,800			
3-39	Employee Benefits				
3-40	Insurance	$ 4,520	$ 6,780		
3-41	Accounting and Legal Fees	$ 1,300	$ 64,987		
3-42	Repair and Maintenance	$ 372	$ 17,467		
3-43	Supplies	$ 5,973	$ 4,106		
3-44	Utilities	$ 8,599	$ 2,908		
3-45	Contributions to Fire & Police Pension Association				
	Other (specify in lines 3-46 through 3-47)				
3-46	Pension Payments			$ 3,081	
3-47					
3-48	Capital Outlay	$ 3,515	$ 571,580		
	Debt Service				
3-49	Principal (should match amount in Part 4, Debt Schedule Table)	$ 27,155	$ 13,121		
3-50	Interest	$ 3,297	$ 8,053		
3-51	Bond Issuance Costs				
3-52	Developer Principal Repayments				

Line	Description	Proprietary/Fiduciary Fund			
		Fund A	Fund B	Fund C	Fund D
3-53	Developer Interest Repayments				
	All Other (specify in lines 3-54 through 3-57)				
3-54					
3-55					
3-56					
3-57					
3-58	**TOTAL EXPENSES** (Add lines 3-35 through 3-57)	$ 76,032	$ 695,290	$ 3,471	$ 0
	GAAP Reconciling Items				
3-59	Net Interfund Transfers (In) Out				
	Other (specify in line 3-60. Enter negative for expense.)				
3-60					
3-61	Depreciation/Amortization	$ 151,395	$ 70,351		
3-62	Other Financing Sources (from line 2-57)				
3-63	Capital Outlay (from line 3-48)	$ 3,515	$ 571,580		
3-64	Debt Principal (from line 3-49, 3-52)	$ 27,155	$ 13,121		
3-65	**Total GAAP Reconciling Items** (Add lines 3-60, 3-63, and 3-64, subtract lines 3-61 and 3-62)	-$ 120,725	$ 514,350	$ 0	$ 0
3-66	**NET INCREASE (DECREASE) IN NET POSITION** (Line 2-58, less line 3-58, plus line 3-65, less line 3-59)	-$ 107,814	$ 475,467	$ 1,029	$ 0
3-67	Net Position, January 1 from December 31 prior year report	$ 3,160,319	$ 2,036,955	$ 280	
3-68	Prior Period Adjustment (MUST explain in line 3-69)	-$ 43,505			
3-69	See comment in Part 3D for explanation regarding Prior Period Adjustment as well as reduction in Notes Payable.				
3-70	**NET POSITION, DECEMBER 31** (Add lines 3-66, 3-67, and 3-68. Should match line 1-72.)	$ 3,009,000	$ 2,512,422	$ 1,309	$ 0

Part 3C: Grand Total of Revenues and Expenditures/Expenses

Line	Description	Total
	Total Revenues per Fund	
3-71	General Fund	$ 165,234
3-72	Community Center Fund	$ 33,694
3-73	Conservation Trust Fund	$ 2,848
3-74	Park Revitalization Fund	$ 6,458
3-75	**Governmental Funds** (Add lines 3-71 through 3-74)	$ 208,234
3-76	Water Fund	$ 88,943
3-77	Sewer Fund	$ 656,407
3-78	Fire Pension Fund	$ 4,500
3-79		$ 0
3-80	**Proprietary/Fiduciary Funds** (Add lines 3-76 through 3-79)	$ 749,850
3-81	**GRAND TOTAL REVENUES (ALL FUNDS)** (Add lines 3-75 and 3-80)	$ 958,084
	Total Expenditures/Expenses per Fund	
3-82	General Fund	$ 152,781
3-83	Community Center Fund	$ 47,758
3-84	Conservation Trust Fund	$ 0
3-85	Park Revitalization Fund	$ 410
3-86	**Governmental Funds** (Add lines 3-82 through 3-85)	$ 200,949
3-87	Water Fund	$ 76,032
3-88	Sewer Fund	$ 695,290
3-89	Fire Pension Fund	$ 3,471
3-90		$ 0
3-91	**Proprietary/Fiduciary Funds** (Add lines 3-87 through 3-90)	$ 774,793
3-92	**GRAND TOTAL EXPENDITURES/EXPENSES (ALL FUNDS)** (Add lines 3-86 and 3-91)	$ 975,742

IF EITHER GRAND TOTAL REVENUES OR EXPENDITURES/EXPENSES FOR ALL FUNDS IS GREATER THAN $1,000,000 — 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 3D: Comments or Additional Information

Please use the space below to provide any additional information (optional).

On August 7, 2025, the Colorado Department of Public Health and Environment informed the Colorado Water Resources and Power Development Authority that the Town of Eckley had completed construction satisfying all requirements of the Drinking Water Revolving Fund loan. The Town of Eckley's project was completed for less than the direct loan amount by $74,698.47. The Town reported this amount as cash with fiscal agent at December 31, 2024.

The Town of Eckley requested that the remaining loan funds of $74,698.47 be rescinded as a principal reduction and to re-amortize the loan repayment schedule. The loan was a combination of principal forgiveness and loan. The amount rescinded was reduced in a pro-rate fashion by the Colorado Water Resources and Power Development Authority, so the Town's principal forgiveness amount was reduced by $43,505.22 and the repayable loan principal was reduced by $31,193.25.

The principal forgiveness amount should have been reported as unearned revenue at December 31, 2024 in the Water Fund. As a result, the unearned revenue was understated and the net position was overstated by $43,505.22, which has been reported as a prior period adjustment in the Water Fund (see line 3-68).

Part 4: Debt Outstanding, Issued, and Retired

4-1	Does the entity have outstanding debt?		◉ Yes	○ No
4-2	If no, skip to line 4-15. If yes, please attach a copy of the entity's debt repayment schedule.			
4-3	Is the debt repayment schedule attached?	○ N/A	◉ Yes	○ No
4-4	If no, MUST explain below.			
4-5	Is the entity current in its debt service payments?		◉ Yes	○ No
4-6	If no, MUST explain below.			
4-7	If no, also indicate if the government is in default with its bond agreements.		○ Yes	○ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Outstanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
4-8	General Obligation Bonds				$ 0
4-9	Revenue Bonds				$ 0
4-10	Notes/Loans	$ 1,290,893	-$ 31,194	$ 40,276	$ 1,219,423
4-11	Lease and SBITA** Liabilities (GASB 87 & 96)				$ 0
4-12	Developer Advances				$ 0
	Other (specify in line 4-13)				
4-13					$ 0
4-14	**TOTAL** (Add lines 4-8 through 4-13)	$ 1,290,893	-$ 31,194	$ 40,276	$ 1,219,423

*Must agree to prior year-end balance
**Subscription-Based Information Technology Arrangements

Comments (optional)

See comment in Part 3D regarding reduction in notes payable.

4-15	Does the entity have any authorized but unissued debt as of its fiscal year-end?	○ Yes	◉ No
4-16	If yes, how much?		
4-17	Date the debt was authorized		
4-18	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	○ Yes	◉ No
4-19	If yes, how much?		
4-20	Date of the most recent Service Plan		
4-21	Does the entity intend to issue debt within the next calendar year?	○ Yes	◉ No
4-22	If yes, how much?		
4-23	Does the entity have debt that has been refinanced that it is still responsible for?	○ Yes	◉ No
4-24	If yes, what is the amount outstanding?		
4-25	Does the entity have any lease agreements?	○ Yes	◉ No
4-26	If yes, what is being leased?		
4-27	What is the original date of the lease?		
4-28	Number of years of lease?		
4-29	Is the lease subject to annual appropriation?	○ Yes	○ No
4-30	What are the annual lease payments?		

Please use the space below to provide any additional information (optional).

Part 5: Cash and Investments

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

Line	Description	Amount
5-1	Year-end Total of all Checking and Savings Accounts	$ 451,257
5-2	Certificates of Deposit	$ 21,434
5-3	**TOTAL CASH DEPOSITS** (Add lines 5-1 and 5-2)	$ 472,691
	Investments (Specify in lines 5-4 through 5-8. If investment is a mutual fund, please list underlying investment.)	
5-4	Colotrust	$ 472
5-5		
5-6		
5-7		
5-8		
5-9	**Total Investments** (Add lines 5-4 through 5-8)	$ 472
5-10	**TOTAL CASH AND INVESTMENTS** (Add lines 5-3 and 5-9)	$ 473,163

5-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	○ N/A	◉ Yes	○ No
5-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		◉ Yes	○ No
5-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

Part 6: Capital and Right-to-Use Assets

6-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 6.)	◉ Yes	○ No
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	◉ Yes	○ No
6-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table for Governmental Funds

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-4	Land	$ 9,275			$ 9,275
6-5	Buildings	$ 316,596	$ 12,025		$ 328,621
6-6	Machinery and Equipment	$ 180,146	$ 9,125		$ 189,271
6-7	Furniture and Fixtures				$ 0
6-8	Infrastructure				$ 0
6-9	Construction In Progress (CIP)				$ 0
6-10	Leased & SBITA Right-to-Use Assets				$ 0
6-11	Intangible Assets				$ 0
	Other (explain in line 6-12)				
6-12					$ 0
6-13	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				$ 0
6-14	Accumulated Depreciation (Enter a negative or credit balance)	-$ 435,275	-$ 8,518		-$ 443,793
6-15	**TOTAL** (Add lines 6-4 through 6-14)	$ 70,742	$ 12,632	$ 0	$ 83,374

*Must agree to prior year-end balance.

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

Capital and Right-to-Use Assets Table for Proprietary Funds

Please complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS.

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
6-16	Land	$ 76,927			$ 76,927
6-17	Buildings				$ 0
6-18	Machinery and Equipment	$ 4,000			$ 4,000
6-19	Furniture and Fixtures				$ 0
6-20	Infrastructure	$ 7,711,207	$ 575,095		$ 8,286,302
6-21	Construction In Progress (CIP)				$ 0
6-22	Leased & SBITA Right-to-Use Assets				$ 0
6-23	Intangible Assets				$ 0
	Other (explain in line 6-24)				
6-24					$ 0
6-25	Accumulated Amortization Right-to-Use Assets (Enter a negative or credit balance)				$ 0
6-26	Accumulated Depreciation (Enter a negative or credit balance)	-$ 1,593,856	-$ 221,746		-$ 1,815,602
6-27	**TOTAL** (Add lines 6-16 through 6-26)	$ 6,198,278	$ 353,349	$ 0	$ 6,551,627

*Must agree to prior year-end balance.

**Generally capital asset additions should be reported as capital outlay on line 3-48 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 7: Pension Information

7-1	Does the entity have an “old hire” firefighters’ pension plan?	○ Yes	◉ No
7-2	Does the entity have a volunteer firefighters’ pension plan?	◉ Yes	○ No
7-3	If yes, who administers the plan?		
	Local pension board		
	Indicate the contributions from the following in lines 7-4 through 7-6.		
7-4	Tax (property, specific ownership, sales, etc.)	$ 3,500	
7-5	State contribution amount	$ 1,000	
7-6	Other (gifts, donations, etc.)		
7-7	**TOTAL** (Add lines 7-4 through 7-6)	$ 4,500	
7-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	$ 26	

Please use the space below to provide any additional information (optional).

Part 8: Budget Information

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.?	○ N/A	◉ Yes	○ No
8-2	If no, MUST explain below.			
8-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	○ N/A	◉ Yes	○ No
8-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported.
Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
8-5	General Fund	$ 167,323
8-6	Water Fund	$ 276,082
8-7	Sewer Fund	$ 102,320
8-8	Fire Pension Fund	$ 3,800
8-9	Conservation Trust Fund	$ 6,500

Please use the space below to provide any additional information (optional).

Community Center Fund - $23,360
Park Revitalization Fund - $0

Part 9: Taxpayer's Bill of Rights (TABOR)

9-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	◉ Yes	○ No
9-2	If no, MUST explain below.		

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

Please use the space below to provide any additional information (optional).

Part 10: General Information

10-1	Is this application for a newly formed governmental entity?	○ Yes	◉ No
10-2	If yes, what was the date of formation		
10-3	Has the entity changed its name in the past or current year?	○ Yes	◉ No
10-4	If yes, please list the NEW name below.		
10-5	If yes, please list the PRIOR name below.		
10-6	Is the entity a metropolitan district?	○ Yes	◉ No
10-7	Please indicate what services the entity provides below.		
	General government services including water and sewer.		
10-8	Does the entity have an agreement with another government to provide services?	○ Yes	◉ No
10-9	If yes, list the name of the other governmental entity and the services provided below.		
10-10	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
10-11	If yes, what was the date filed		
10-12	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 dollar amounts).		
10-13	Bond redemption mills		
10-14	General/other mills		27.418
10-15	**TOTAL MILLS** (Add lines 10-13 through 10-14.)		27.418

10-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	◉ N/A	○ Yes	○ No
10-17	If no, please explain below.			

Please use the space below to provide any additional information (optional).

Part 11: Governing Body Approval

11-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	◉ Yes	○ No

Office of the State Auditor — Local Government Division
Exemption Form Electronic Signature Policy and Procedure

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 must note their approval and submit the application using one of the following two methods:

1) Submit the application in hard copy via U.S. 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.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Elno Hagemeier	
My term expires on	2026	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 2		
Board member's name	Christi Vance	
My term expires on	2026	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 3		
Board member's name	Miguel Favela	
My term expires on	2026	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 4		
Board member's name	Jeannie Leerar	
My term expires on	2026	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name	Cheryl Rogers	
My term expires on	2028	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name	Tim Probasco	
My term expires on	2028	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name	Kaci Scholes	
My term expires on	2028	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

TOWN OF ECKLEY
Debt Repayment Schedule - Water Fund
December 31, 2025

Payment Date	Payment	Principal	Interest	Balance
				$ 12,500.00
5/1/2026	$ 2,500.00	$ 2,500.00	$ -	10,000.00
11/1/2026	2,500.00	2,500.00	-	7,500.00
5/1/2027	2,500.00	2,500.00	-	5,000.00
11/1/2027	2,500.00	2,500.00	-	2,500.00
5/1/2028	2,500.00	2,500.00	-	-
	$ 12,500.00	$ 12,500.00	$ -	

TOWN OF ECKLEY
Debt Repayment Schedule - Water Fund
December 31, 2025

Year	Payment	Principal	Interest	Balance
				$ 627,925.48
2026	24,890.64	21,778.21	3,112.43	606,147.27
2027	24,890.64	21,887.23	3,003.41	584,260.04
2028	24,890.64	21,996.80	2,893.84	562,263.24
2029	24,890.64	22,106.92	2,783.72	540,156.32
2030	24,890.64	22,217.60	2,673.04	517,938.72
2031	24,890.64	22,328.82	2,561.82	495,609.90
2032	24,890.64	22,440.61	2,450.03	473,169.29
2033	24,890.64	22,552.95	2,337.69	450,616.34
2034	24,890.64	22,665.86	2,224.78	427,950.48
2035	24,890.64	22,779.32	2,111.32	405,171.16
2036	24,890.64	22,893.36	1,997.28	382,277.80
2037	24,890.64	23,007.98	1,882.66	359,269.82
2038	24,890.64	23,123.16	1,767.48	336,146.66
2039	24,890.64	23,238.92	1,651.72	312,907.74
2040	24,890.64	23,355.26	1,535.38	289,552.48
2041	24,890.64	23,472.18	1,418.46	266,080.30
2042	24,890.64	23,589.69	1,300.95	242,490.61
2043	24,890.64	23,707.78	1,182.86	218,782.83
2044	24,890.64	23,826.47	1,064.17	194,956.36
2045	24,890.64	23,945.75	944.89	171,010.61
2046	24,890.64	24,065.63	825.01	146,944.98
2047	24,890.64	24,186.11	704.53	122,758.87
2048	24,890.64	24,307.19	583.45	98,451.68
2049	24,890.64	24,428.88	461.76	74,022.80
2050	24,890.64	24,551.17	339.47	49,471.63
2051	24,890.64	24,674.09	216.55	24,797.54
2052	24,890.64	24,797.54	93.10	0.00
	$ 672,047.28	$ 627,925.48	$ 44,121.80	

TOWN OF ECKLEY
Debt Repayment Schedule - Sewer Fund
December 31, 2025

Year	Payment	Principal	Interest	Balance
				$ 578,997.71
2026	$ 21,180.00	$ 13,302.58	$ 7,877.42	565,695.13
2027	21,180.00	13,486.64	7,693.36	552,208.49
2028	21,180.00	13,652.32	7,527.68	538,556.17
2029	21,180.00	13,862.18	7,317.82	524,693.99
2030	21,180.00	14,053.98	7,126.02	510,640.01
2031	21,180.00	14,248.45	6,931.55	496,391.56
2032	21,180.00	14,426.79	6,753.21	481,964.77
2033	21,180.00	14,645.22	6,534.78	467,319.55
2034	21,180.00	14,847.87	6,332.13	452,471.68
2035	21,180.00	15,053.32	6,126.68	437,418.36
2036	21,180.00	15,245.05	5,934.95	422,173.31
2037	21,180.00	15,472.56	5,707.44	406,700.75
2038	21,180.00	15,686.64	5,493.36	391,014.11
2039	21,180.00	15,903.70	5,276.30	375,110.41
2040	21,180.00	16,109.59	5,070.41	359,000.82
2041	21,180.00	16,346.67	4,833.33	342,654.15
2042	21,180.00	16,572.86	4,607.14	326,081.29
2043	21,180.00	16,802.18	4,377.82	309,279.11
2044	21,180.00	17,023.00	4,157.00	292,256.11
2045	21,180.00	17,270.20	3,909.80	274,985.91
2046	21,180.00	17,509.17	3,670.83	257,476.74
2047	21,180.00	17,751.46	3,428.54	239,725.28
2048	21,180.00	17,988.07	3,191.93	221,737.21
2049	21,180.00	18,245.97	2,934.03	203,491.24
2050	21,180.00	18,498.44	2,681.56	184,992.80
2051	21,180.00	18,754.41	2,425.59	166,238.39
2052	21,180.00	19,007.71	2,172.29	147,230.68
2053	21,180.00	19,276.92	1,903.08	127,953.76
2054	21,180.00	19,543.66	1,636.34	108,410.10
2055	21,180.00	19,814.09	1,365.91	88,596.01
2056	21,180.00	20,085.01	1,094.99	68,511.00
2057	21,180.00	20,366.17	813.83	48,144.83
2058	21,180.00	20,647.98	532.02	27,496.85
2059	21,180.00	20,933.69	246.31	6,563.16
2060	6,581.26	6,563.16	18.10	0.00
	$ 726,701.26	$ 578,997.71	$ 147,703.55	

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 2025 FOR THE **Town of Eckley**, STATE OF COLORADO.

WHEREAS, the **Board of Directors** of **Town of Eckley** wishes to claim exemption from 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 $1,000,000 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 **Town of Eckley** exceeded $1,000,000 for Year 2025; and

WHERAS, an application for exemption from audit for **Town of Eckley** has been prepared by **Lauer, Szabo & Associates, P.C.**, an independent accounting firm with knowledge of 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 **Board of Directors** of the **Town of Eckley** that the application for exemption from audit for **Town of Eckley** for the year ended December 31, 2025, has been personally reviewed and is hereby approved by a majority of the **Board of Directors** of the **Town of Eckley**; that those members of the **Board of Directors** 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 Eckley** for the year ended December 31, 2025.

ADOPTED THIS 30th day of March, 2026.

Printed Name of Director	Date Term Expires	Signature
Elno Hagemeier	2026	
Christi Vance	2026	
Miguel Favela	2026	
Jeannie Leerar	2026	
Cheryl Rogers	2028	
Tim Probasco	2028	
Kaci Scholes	2028	