



**TOWN OF PAONIA**  
**214 GRAND AVENUE**  
**REGULAR TOWN BOARD MEETING AGENDA**  
**TUESDAY, MARCH 26, 2024 6:30 PM**  
[HTTPS://US02WEB.ZOOM.US/J/83634990216](https://us02web.zoom.us/j/83634990216)  
**MEETING ID: 836 3499 0216**

**Public Participation:** Must raise hand and be recognized by the Mayor, come to the podium and state your name and the street on which you live. Time limit is 3 minutes, one time per item. Direct all comments to the Mayor. No responses will be made by staff or Board during the meeting. No derogatory or demeaning statements or public displays. Please be respectful.

**Roll Call**

**Approval of Agenda**

**Announcements**

[Safe](#) Routes to Apple Valley Park - Walk & Roll Audit - April, 3, 2024

**Public Comment**

Any topic not included under Actions & Presentations; 3-minute time limit.

**Consent Agenda**

February 27, 2024 Regular Meeting Minutes

March 12, 2024 Regular Meeting Minutes

LLL 2024-105 Thomas Waldos Liquor License Renewal

Disbursements

**Staff Reports**

[Departmental](#) Scorecard

**Actions & Presentations**

Public comments must be related to the agenda item, 3-minute time limit.

**Presentation:**

FY-2022 Audit Presentation - Hinkle & Company, PC

**Presentation:**

Status Update from Phoenix Rising Resources on the Comprehensive Plan

**Public Hearing**

Hotel and Restaurant Liquor License transfer from Flying Fork LLC to Flying Fork Ltd

**Agenda Item 1** - Consideration of Approval of the First Amendment to Lease with SBA Towers II LLC

**Agenda Item 2** - Consideration of Approval of Camping at Apple Valley Park for the Volunteers for Outdoor Colorado Group May 4th and 5th

**Agenda Item 3** - Consideration of submitting a SS4A to USDOT to create a safe streets plan for the Town of Paonia.

**Agenda Item 4** - Consideration of Terminating Agreement for SCADA Contract at the Clock Treatment Plant

**Agenda Item 5** - Consideration of Appointing Trustee Paige Smith (Mayor-Elect) as the Local Government Designee to the Energy & Carbon Management Commission

**Agenda Item 6** - Consideration of Approving Conference Attendance for Trustee Smith to the 2024 Energy & Environment Symposium: oil and gas education for local government.

**Agenda Item 7** - Letter of Support for Submission of Safe Pathways for Paonia Congressionally Directed Spending Request

**Agenda Item 8 - Consideration** of Approval for Change Order #1 to the Phoenix Rising Agreement for the Comprehensive (Master) Plan

### **Mayor & Trustee Reports**

**Parks** and Public Safety Committee Report

### **Adjournment**

AS ADOPTED BY:  
TOWN OF PAONIA, COLORADO  
RESOLUTION NO. 2017-10 – Amended May 22, 2018

I. RULES OF PROCEDURE

**Section 1. Schedule of Meetings.** Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

**Section 2. Officiating Officer.** The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

**Section 3. Time of Meetings.** Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

**Section 4. Schedule of Business.** If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (f) Mayor's Report (10 minutes)
- (g) Staff Reports: (15 minutes)
  - (1) Town Administrator's Report
  - (2) Public Works Reports
  - (3) Police Report
  - (4) Treasurer Report
- (h) Unfinished Business (45 minutes)
- (i) New Business (45 minutes)
- (j) Disbursements (15 minutes)
- (k) Committee Reports (15 minutes)
- (l) Adjournment

\* This schedule of business is subject to change and amendment.

**Section 5. Priority and Order of Business.** Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

**Section 6. Conduct of Board Members.** Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

**Section 7. Presentations to the Board.** Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

**Section 8. Public Comment.** After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

**Section 9. Unacceptable Behavior.** Disruptive behavior shall result in expulsion from the meeting.

**Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings.** These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

## **II. CONSENT AGENDA**

**Section 1. Use of Consent Agenda.** The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

**Section 2. General Guidelines.** Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

**Section 3. Removal of Item from Consent Agenda.** One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

## **III. EXECUTIVE SESSION**

**Section 1.** An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed “in as much detail as possible without compromising the purpose for which the executive session is authorized.” In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

**Section 2.** During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

**Section 3.** Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

## **IV. SUBJECT TO AMENDMENT**

**Section 1. Deviations.** The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

**Section 2. Amendment.** The Board may amend these Rules of Procedures Policy from time to time.

# Safe Routes to Apple Valley Park

WALK & ROLL AUDIT

04 | 03 | 2024

## What is a Walk & Roll Audit?

Participants will gather data about the barriers to safely walking and rolling (bike, scooter, stroller) to our local parks in Paonia. The goal is to identify challenges and find collaborative solutions.

**Town Hall -> Town Park -> Apple Valley**

**2:30pm Meet at Paonia Town Hall**

**3:45pm Families and Kids meet at Paonia Town Park**

**4:30pm End at Apple Valley Park**



Learn more and register here! [thenatureconnection.net/family/](https://thenatureconnection.net/family/)



### SPONSORED BY



**Minutes**  
**Regular Town Board Meeting**  
**Town of Paonia, Colorado**  
**February 27, 2024**

**RECORD OF PROCEEDINGS**

Mayor Bachran calls the meeting to order at 6:30 pm.

**PRESENT**

- Mayor Mary Bachran
- Trustee Paige Smith
- Trustee John Valentine
- Trustee Rick Stelter
- Trustee Morgan MacInnis
- Trustee Kathy Swartz

**ABSENT**

Mayor Pro-Tem Dave Knutson (Excused)

**Approval of Agenda**

Trustee Swartz makes a motion, seconded by Trustee Stelter, to approve the agenda.

The motion carries unanimously.

**Announcements**

Mayor Bachran announces that she submitted the submitted RAISE Grant.

Town Administrator Wynn announces that Public Works employee Matt Taylor received his CDL and expressed his thanks to the Board for the opportunity.

Trustee Swartz says "Thank you" to Public Works for the quick fix on the skate park.

**Public Comment**

Any topic not included under Actions & Presentations; 3-minute time limit.

S. Watson: comments about a campaign flyer.

Town Attorney Cotten-Baez addresses the comment made by community member S. Watson and the flyer in question.

S. Keenan, 514 3rd St: comments about thankfulness for grant writers.

**Consent Agenda**

Trustee Stelter makes a motion, seconded by Trustee Smith to approve the Consent Agenda.

The motion carries unanimously.

**Staff Reports**

Town Administrator Wynn goes over FY-22 Audit update, Chase Credit Card update, confirmation on the IHOP grant carry over and billing account issues. He also answers questions about quarterly to monthly financials statements, budget questions, ClearGov, meters & billing.

**Actions & Presentations**

Public comments must be related to the agenda item, 3-minute time limit.

**Presentation:** Master Plan Status Update from Phoenix Rising Resources

Calla Rose Ostrander from Phoenix Rising Resources provides an update, including new deadlines and meeting dates to look out for. Also reminds everyone to mark their calendars for March 3rd, Blue Sage Public Input Work Session 1:30 - 3:30 pm.

**Public Hearing**

Consideration of Granting a Hotel and Restaurant Liquor License to Good Love LLC at the property located at 208 3rd Street.

Mayor Bachran opens the Public Hearing at 6:47 pm

Abreaze Parra, Good Love LLC, presents her new restaurant plans.

Public Comment:

Steven Keenan comments in support

Prima Merry: comments in support

Miranda Eyler: comments in support

Jessica Elliot: Landlord, comments in support

Mayor Bachran closes the Public Hearing at 6:59 pm.

Trustee Smith asks about hours of operation.

Trustee Stelter makes a motion, seconded by Trustee Swartz, to approve a Hotel & Restaurant Liquor License to Good Love LLC at the property located at 208 3rd Street.

The motion carries unanimously.

Agenda Item 1: Consideration of Approval of Offer to the School District to Purchase the Vo-Tech Building

B. Brunner: comments on realtor and sewer lines.

S. Watson: Comments on streets

S. Keenan: Comments on decision making process

C. Patterson: Comments on grant application

Board discussion includes cash match, contract, earnest money, processes, pathways, Pro's & Con's, building tour, information campaign, timeline, potential federal shutdown, community buy-in.

Trustee Swartz makes a motion, seconded by Trustee Stelter to postpone the decision until the next meeting and schedule a tour for the Board and public before that time.

The motion carries unanimously.

Agenda Item 2: Review of Changes to Pending Ordinance 2024-01: Amending Chapters 7 & 10 of the Paonia Municipal Code

Public Comment:

B. Brunner: comments on open burns, garages, leash laws and enforcement.

S. Watson: Comments on Nuisance, domestic cats, rabies, disease and vehicles.

Board discussion: Inoperable vehicles, private property, vehicle repair, property values, inoperable v derelict, courtesy to neighbors, screening from view, car covers, front yard vs back yard, corner lots, animals, cleaning up the Code, feral cat issue, domestic cats, fires, state definitions, conflicts, definitions of grill & manufactured.

Town Attorney Cotten-Baez discusses complexity in language and enforceability.

Agenda Item 3: Consideration of Approval of Resolution 03-2024: Adopting a Policy Concerning Town Officer, Employee and Board Member Consultation with the Town Attorney.

Town Administrator Wynn gives a brief background on the requested resolution.

Town Attorney Cotten-Baez clarifies the language in the resolution.

Public Comment:

S. Watson: comments about Boards and Commissions

Trustee Smith requests an addition of the official designee of the Town Administrator being the Mayor.

Trustee Stelter makes a motion, seconded by Trustee Smith, to approve Resolution 03-2024: Adopting a Policy Concerning Town Officer, Employee and Board Member Consultation with the Town Attorney, with requested additions.

The motion carries unanimously.

**Mayor & Trustee Reports**

**Adjournment**

The meeting adjourns at 8:52 pm.

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Samira M Vetter, Town Clerk

\_\_\_\_\_  
Mary Bachran, Mayor

**Minutes**  
**Regular Town Board Meeting**  
**Town of Paonia, Colorado**  
**March 12, 2024**

**RECORD OF PROCEEDINGS**

Mayor Bachran calls the meeting to order at 6:30 pm

**PRESENT**

- Mayor Mary Bachran
- Trustee Paige Smith
- Trustee Rick Stelter
- Trustee Morgan MacInnis
- Trustee Kathy Swartz

**ABSENT**

- Mayor Pro-Tem Dave Knutson
- Trustee John Valentine

**Approval of Agenda**

Trustee MacInnis makes a motion, seconded by Trustee Smith, to approve the agenda as presented.

The motion carries unanimously.

**Announcements**

The Board also has a brief discussion about whose terms are ending and that the Mayor and appointed Trustee will also be changing.

**Public Comment**

Any topic not included under Actions & Presentations; 3-minute time limit.

W. Brunner: comments about fiduciary duty of the Board.

S. Keenan: comments about sitting Board members, the job they did and the future.

M. Neiremberger: comments about Town action and liability

S. Watson: comments about public speech, anonymity, YouTube, grants and transparency

**Consent Agenda**

Trustee Stelter makes a motion, seconded by Trustee Smith to approve the Consent Agenda

The motion carries unanimously.

**Staff Reports**

Town Administrator: discusses Final Draft Audit, meter and billing internal audits, 1099's, and staff positions open.

Police Chief Laiminger highlights the current Department priorities.

**Actions & Presentations**

Public comments must be related to the agenda item, 3-minute time limit.

1. Consideration of Approval of Second Amendment to the Urban Rural Continuum Agreement

Town Administrator Wynn gives an overview of the process used to be able to use the left over money from the grant to include Urban Rural Continuum in new projects.

Trustee Swartz makes a motion, seconded by Trustee Stelter to approve the Second Amendment to the Urban Rural Continuum agreement, with a not to exceed amount of \$7237.50.

The motion carries unanimously.

2. Consideration of Change Order #2 - SGM - 5th & Grand Realignment - Safe Pathways for Paonia - \$32,500

Town Administrator Wynn provides an overview of the Change Order.

Public Comment:

S. Watson: asks questions about the location of the work.

Board discussion includes funding, whether it is a passive system, expenditure timelines and the RAISE grant,

Trustee Smith makes a motion, seconded by Trustee MacInnis, to approve SGM Change Order #2 for 5th and Grand Realignment, Safe Pathways for Paonia for \$32,500.

The motion carries unanimously.

3. Consideration of Approval of Offer to the School District to Purchase the VoTech Building for \$1,500,000

Mayor Bachran provides some background information on the suggested project, the Congressional Spending request process, information on the VoTech building included in the packet, and the letter of support.

Public Comment:

C. Patterson: comments about the other types of projects the Town could ask for funding for

W. Brunner: comments on fiduciary responsibility

R. Beers: comments from construction viewpoint.

M. Neiremberger: Comments on grant money

S. Patterson: Comments on public communication

S. Watson: Comments on Board priorities and funding

S. Keenan: Comments on opportunities

Mayor Bachran: provides some background to the decision-making process and feedback from the Senator's offices and the processes and potential benefits to the community.

Point of Order is called by Trustee Stelter at 7:29 pm after several unrecognized comments from the Public.

Board Discussion: amount of space, staff time and support, utilities, drop ceilings, potential hidden problems, maintenance costs, size not appropriate for uses proposed, earnest money concerns, unanswered questions, repeating past mistakes, roof, heating and cooling, opportunities, the future, commercial core space revenue, long term investments, staff needs, collaborative space, due diligence, time constraints, offer price, community benefit, planning, community dissent, grant/congressional spending deadline, amended offer, budget details, funding opportunities, Congressionally Directed Spending process, earnest money deadline, and infrastructure

Trustee Stelter calls the question

Trustee Stelter makes a motion to make an offer to the School District of \$1 million.

The motion dies for lack of a second.

Trustee Stelter makes a motion, seconded by Trustee Smith to terminate the subject.

Aye: Trustee Stelter, Trustee Smith, Trustee Swartz

Nay: Trustee MacInnis

The motion carries.

4. Consideration of Approval of FY-2022 Audit

Town Administrator Wynn explains that the final draft of the Audit arrived that morning and goes through it with the Board.

Trustee Smith makes a motion, seconded by Trustee Stelter to approve the FY 2022 Audit.

The motion carries unanimously.

5. Consideration of Approval of Extension for FY 2023 Audit

Trustee Stelter makes a motion, seconded by Trustee MacInnis to approve the extension letter for the FY 2023 Audit.

The motion carries unanimously.

6. Consideration of Ordinance 2024-01: Amending Chapters 7 and 10 of the Paonia Municipal Code

Trustee Stelter makes a motion, seconded by Trustee Smith to Approve Ordinance 2024-01: Amending Chapters 7 and 10 of the Paonia Municipal Code

The motion carries unanimously.

7. Consideration of Approval of Updated Facilities Agreement for School District Use of Apple Valley Tennis Court.

Trustee Swartz makes a motion, seconded by Trustee Stelter to approve the updated Facilities Agreement for School District use of the Apple Valley Park Tennis Courts.

The motion carries unanimously.

8. Consideration of Approval for putting out an RFP for Town Attorney

Trustee Stelter makes a motion, seconded by Trustee Smith, to put out an RFP for a new Town Attorney.

The motion carries unanimously.

**Mayor & Trustee Reports**

No reports were given.

**Adjournment**

The meeting is adjourned at 9:04 pm

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Samira M Vetter, Town Clerk

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Mary Bachran, Mayor

DRAFT



**TOWN OF PAONIA  
BOARD OF TRUSTEES MEETING  
STAFF REPORT**

<b>AGENDA ITEM:</b>	2024-105 Thomas Waldos Tavern LLC Liquor License Renewal
<b>SUBMITTED BY:</b>	Samira Vetter, Town Clerk
<b>DATE:</b>	March 26, 2024
<b>BACKGROUND:</b>	<ul style="list-style-type: none"><li>- All required paperwork and fees as well as a check for the the State fees have been turned into the Town Clerk.</li><li>- Paonia Police Department has no issues or concerns with the renewal of this license</li><li>- Paonia Public Works has no issues or concerns with the renewal of this license</li><li>- All legal requirements have been met for the renewal of this license</li></ul>
<b>BUDGET:</b>	\$250.00 to 10-32-01 : Liquor Licenses
<b>RECOMMENDATION:</b>	All legal requirements have been met for this liquor license Renewal
<b>ATTACHMENT:</b>	Thomas Waldos Tavern LLC Renewal Application Caselle receipt of Local Fees

**Submit to Local Licensing Authority**

**THOMAS WALDOS TAVERN LLC  
 PO BOX 1666  
 Paonia CO 81428**

Fees Due	
Renewal Fee	625.00
Storage Permit \$100 X _____	\$
Sidewalk Service Area \$75.00	\$
Additional Optional Premise Hotel & Restaurant \$100 X _____	\$
Related Facility - Campus Liquor Complex \$160.00 per facility	\$
<b>Amount Due/Paid</b>	<b>\$</b>

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

## Retail Liquor License Renewal Application

**Please verify & update all information below**

**Return to city or county licensing authority by due date**

Licensee Name THOMAS WALDOS TAVERN LLC		Doing Business As Name (DBA) THOMAS WALDOS TAVERN LLC	
Liquor License # 03-11161	License Type Tavern (city)		
Sales Tax License Number 04235436	Expiration Date 04/24/2024	Due Date 03/10/2024	
Business Address 240 GRAND AVENUE Paonia CO 81428			Phone Number 9705275797
Mailing Address PO BOX 1666 Paonia CO 81428		Email	
Operating Manager	Date of Birth	Home Address	Phone Number
1. Do you have legal possession of the premises at the street address above? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are the premises owned or rented? <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Rented*      *If rented, expiration date of lease <u>April 2025</u>			
2. Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
3a. Are you renewing a takeout and/or delivery permit? (Note: must hold a qualifying license type and be authorized for takeout and/or delivery license privileges) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
3b. If so, which are you renewing? <input type="checkbox"/> Delivery <input type="checkbox"/> Takeout <input type="checkbox"/> Both Takeout and Delivery			
4a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
4b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
5. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

7. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation.  Yes  No

8. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation.  Yes  No

<b>Affirmation &amp; Consent</b> I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.		
Type or Print Name of Applicant/Authorized Agent of Business	Title	
<i>Angela Rein</i>	<i>Owner/manager</i>	
Signature	Date	
	<i>3-15-24</i>	
<b>Report &amp; Approval of City or County Licensing Authority</b> The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules. <b>Therefore this application is approved.</b>		
Local Licensing Authority For		Date
Signature	Title	Attest

## Tax Check Authorization, Waiver, and Request to Release Information

I, Angela Rein am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Thomas Waldos (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101. et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>Thomas Waldos Tavern</u>		Social Security Number/Tax Identification Number [REDACTED]	
Address <u>2410 Grand Ave Basement</u>			
City <u>Paonia</u>		State <u>Co</u>	Zip <u>81428</u>
Home Phone Number [REDACTED]		Business/Work Phone Number [REDACTED]	
Printed name of person signing on behalf of the Applicant/Licensee <u>Angela Rein</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) [REDACTED]			Date signed <u>3-15-24</u>

### Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Town of Paonia  
PO Box 460  
214 Grand Avenue  
Paonia CO 81428-0460

(970) 527-4101

Receipt No: 2.001176

Mar 18, 2024

THOMAS WALDO'S

Previous Balance:		.00
Licenses & Permits - Liquor License REMAINING		150.00
BALANCE FOR 2024 RENEWAL		
<hr/>		
Total:		150.00
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Check	Check No: 4773	150.00
Total Applied:		150.00
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Change Tendered:		.00
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03/15/2024 10:05 AM

Town of Paonia  
PO Box 460  
214 Grand Avenue  
Paonia CO 81428-0460

(970) 527-4101

Receipt No: 2.001173

Mar 18, 2024

THOMAS WALDO'S

Previous Balance:		.00
Licenses & Permits - Liquor License RENEWAL FEES 2024		100.00
<hr/>		
Total:		100.00
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Check	Check No: 4771	100.00
Total Applied:		100.00
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Change Tendered:		.00
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03/15/2024 9:20 AM

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
<b>All Copy Products Inc</b>								
1268	All Copy Products Inc	5029029509	COPIER - ADMIN	03/12/2024	89.83		10-41-25 TOWN HALL EXPENSE	03/31/2024
1268	All Copy Products Inc	5029029509	COPIER - WATER	03/12/2024	89.83		60-50-25 SHOP EXPENSE	03/31/2024
1268	All Copy Products Inc	5029029509	COPIER - WASTEWATER	03/12/2024	89.83		70-51-25 SHOP EXPENSE	03/31/2024
1268	All Copy Products Inc	5029029509	COPIER - SANITATION	03/12/2024	89.82		80-52-25 SHOP EXPENSE	03/31/2024
Total All Copy Products Inc:					359.31			
<b>All Points Transit Inc.</b>								
661	All Points Transit Inc.	4753	2024 FUNDING FOR DIAL A RID	02/29/2024	3,100.00		10-41-31 DUES & SUBSCRIPTIONS	03/31/2024
Total All Points Transit Inc.:					3,100.00			
<b>AMAZON BUSINESS</b>								
1341	AMAZON BUSINESS	1WTM-MDHN-	CONCRETE CURING BLANKET	03/01/2024	79.95		10-46-22 REPAIRS & MAINTENANCE	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	HANGING FILE FOLDERS	03/01/2024	12.74		10-41-15 OFFICE SUPPLIES	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	DOCKING STATION FOR STEFE	03/01/2024	194.99		10-41-74 MACHINERY & EQUIPMENT	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	MR. CLEAN SURFACE CLEANER	03/01/2024	81.52		10-41-25 TOWN HALL EXPENSE	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	BOUNTY PAPER TOWELS FOR	03/01/2024	86.98		10-41-25 TOWN HALL EXPENSE	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	PAPER TOWELS FOR BATHRO	03/01/2024	80.00		10-41-25 TOWN HALL EXPENSE	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	TOILET PAPER FOR BATHROO	03/01/2024	79.00		10-41-25 TOWN HALL EXPENSE	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	TRASH CAN LINERS FOR CUST	03/01/2024	97.98		10-41-25 TOWN HALL EXPENSE	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	SPARKLE PAPER TOWELS FOR	03/01/2024	83.78		10-46-16 OPERATING SUPPLIES	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	ANGEL SOFT TP FOR SHOP	03/01/2024	397.55		10-46-16 OPERATING SUPPLIES	03/31/2024
1341	AMAZON BUSINESS	1WTM-MDHN-	SHIPPING & HANDLING	03/01/2024	20.67		10-41-17 POSTAGE	03/31/2024
Total AMAZON BUSINESS:					1,215.16			
<b>APPLEGATE GROUP, INC.</b>								
1376	APPLEGATE GROUP, INC.	53911-C	TOWN PAYMENT PORTION FOR	02/20/2024	572.50		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024
Total APPLEGATE GROUP, INC.:					572.50			
<b>Archuleta, Benny</b>								
1245	Archuleta, Benny	ARCH 3-1-202	ORC CHARGES	03/01/2024	750.00		70-51-20 LEGAL, ENGINEERING & PR	03/31/2024
1245	Archuleta, Benny	ARCH 3-1-202	ORC CHARGES	03/01/2024	750.00		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024
Total Archuleta, Benny:					1,500.00			

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
<b>Black Hills Energy</b>								
987	Black Hills Energy	0878832035-0	UTILITIES - 600 FOURTH STREE	02/20/2024	449.31		10-46-28 UTILITIES	03/31/2024
987	Black Hills Energy	5058039592-0	UTILITIES - 403 2ND STREET	02/20/2024	150.07		10-45-28 UTILITIES	03/31/2024
987	Black Hills Energy	5058039592-0	UTILITIES - 403 2ND STREET	02/20/2024	150.07		10-46-28 UTILITIES	03/31/2024
987	Black Hills Energy	5058039592-0	UTILITIES - 403 2ND STREET	02/20/2024	300.16		60-50-28 UTILITIES	03/31/2024
987	Black Hills Energy	5058039592-0	UTILITIES - 403 2ND STREET	02/20/2024	300.15		70-51-28 UTILITIES	03/31/2024
987	Black Hills Energy	5058039592-0	UTILITIES - 403 2ND STREET	02/20/2024	300.15		80-52-28 UTILITIES	03/31/2024
987	Black Hills Energy	5315712897-0	UTILITIES (GAS)	02/20/2024	144.30		10-41-28 UTILITIES	03/31/2024
987	Black Hills Energy	5315712897-0	UTILITIES (GAS)	02/20/2024	144.30		10-42-28 UTILITIES	03/31/2024
987	Black Hills Energy	5315712897-0	UTILITIES (GAS)	02/20/2024	41.23		60-50-28 UTILITIES	03/31/2024
987	Black Hills Energy	5315712897-0	UTILITIES (GAS)	02/20/2024	41.23		70-51-28 UTILITIES	03/31/2024
987	Black Hills Energy	5315712897-0	UTILITIES (GAS)	02/20/2024	41.23		80-52-28 UTILITIES	03/31/2024
987	Black Hills Energy	9843021504-0	UTILITIES	02/20/2024	165.99		60-50-28 UTILITIES	03/31/2024
Total Black Hills Energy:					2,228.19			
<b>Bolinger &amp; Queen Inc</b>								
14	Bolinger & Queen Inc	131686/1	PRESSURE GAUGES	03/11/2024	16.69		60-50-22 REPAIRS & MAINTENANCE	03/31/2024
Total Bolinger & Queen Inc:					16.69			
<b>Bruin Waste</b>								
1307	Bruin Waste	1758608	PORT-A-POTTY RENTAL LAMBO	03/06/2024	114.75		60-50-24 RENTALS	03/31/2024
1307	Bruin Waste	1758611	PORT-A-POTTY RENTAL 332 FO	03/06/2024	261.00		10-46-24 RENTALS	03/31/2024
Total Bruin Waste:					375.75			
<b>Caselle, Inc</b>								
21	Caselle, Inc	131385	Admin	03/01/2024	68.05		10-43-33 DATA PROCESSING	03/31/2024
21	Caselle, Inc	131385	PD	03/01/2024	68.05		10-42-33 Data Processing	03/31/2024
21	Caselle, Inc	131385	Build	03/01/2024	68.05		10-43-33 DATA PROCESSING	03/31/2024
21	Caselle, Inc	131385	Streets	03/01/2024	40.83		10-45-31 DUES & SUBSCRIPTIONS	03/31/2024
21	Caselle, Inc	131385	Parks	03/01/2024	27.22		10-46-42 CONTRACT SERVICES	03/31/2024
21	Caselle, Inc	131385	Water	03/01/2024	449.13		60-50-33 DATA PROCESSING	03/31/2024
21	Caselle, Inc	131385	Sewer	03/01/2024	449.13		70-51-33 DATA PROCESSING	03/31/2024
21	Caselle, Inc	131385	Trash	03/01/2024	190.54		80-52-33 DATA PROCESSING	03/31/2024
Total Caselle, Inc:					1,361.00			

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
<b>CEBT</b>								
1320	CEBT	INV0064097	BENEFITS PERIOD 2024-03	02/28/2024	19,935.00		10-0223 HEALTH/LIFE INSURANCE	03/31/2024
Total CEBT:					19,935.00			
<b>CIRSA</b>								
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	1,690.09		80-52-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	1,677.66		70-51-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	4,225.22		60-50-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	1,553.39		10-46-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	919.61		10-45-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	248.54		10-43-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	13,794.11		10-42-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	PROPERTY/CASUALTY COVER	01/01/2024	2,485.42		10-41-27 INSURANCE & BONDS	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	233.32		10-41-10 WORKMENS COMPENSATIO	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	2,527.60		10-42-10 WORKMENS COMPENSATIO	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	1,302.68		10-45-10 WORKMENS COMPENSATIO	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	729.11		10-46-10 WORKMENS COMPENSATIO	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	1,069.37		60-50-10 WORKMENS COMPENSATIO	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	1,011.04		70-51-10 WORKMENS COMPENSATIO	03/31/2024
23	CIRSA	240351 + W24	WORKERS' COMPENSATION C	01/01/2024	826.33		80-52-10 WORKMEN'S COMP	03/31/2024
Total CIRSA:					34,293.49			
<b>City of Delta</b>								
24	City of Delta	03062024	Wastewater Analysis	03/06/2024	627.00		70-51-20 LEGAL, ENGINEERING & PR	03/31/2024
24	City of Delta	03062024	Building Inspection Services	03/06/2024	2,300.00		10-43-20 LEGAL, ENGINEERING & PR	03/31/2024
Total City of Delta:					2,927.00			
<b>Column Software PBC</b>								
1183	Column Software PBC	8DFD59D8-005	CUSTOM NOTICES RZN 215 NO	03/05/2024	51.92		10-41-30 PUBLISHING & ADS	03/31/2024
1183	Column Software PBC	8DFD59D8-006	CUSTOM NOTICE - 130 GRAND	03/06/2024	46.64		10-41-30 PUBLISHING & ADS	03/31/2024
1183	Column Software PBC	8DFD59D8-006	PUBLIC HEARING NOTICE DC10	03/08/2024	34.32		10-41-30 PUBLISHING & ADS	03/31/2024
1183	Column Software PBC	8DFD59D8-006	PUBLIC NOTICE LL2024-104 - D	03/08/2024	26.04		10-41-30 PUBLISHING & ADS	03/31/2024
1183	Column Software PBC	8DFD59D8-006	PUBLIC HEARING ECONOMIC D	03/18/2024	26.66		10-41-30 PUBLISHING & ADS	03/31/2024
1183	Column Software PBC	8DFD59D8-006	PUBLIC HEARING NOTICE DC10	03/18/2024	26.66		10-41-30 PUBLISHING & ADS	03/31/2024
Total Column Software PBC:					212.24			

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
<b>Delta County Landfill</b>								
56	Delta County Landfill	414599	Landfill Fee	02/12/2024	324.50		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	414808	Landfill Fee	02/16/2024	441.50		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	414957	Landfill Fee	02/20/2024	207.25		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	415154	Landfill Fee	02/23/2024	353.00		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	415391	Landfill Fee	02/28/2024	424.50		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	415535	Landfill Fee	03/01/2024	175.25		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	415653	Landfill Fee	03/04/2024	249.50		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	416087	Landfill Fee	03/11/2024	226.00		80-52-42 LANDFILL FEES	03/31/2024
56	Delta County Landfill	416240	Landfill Fee	03/13/2024	313.75		80-52-42 LANDFILL FEES	03/31/2024
Total Delta County Landfill:					2,715.25			
<b>Delta Montrose Electric Assn.</b>								
43	Delta Montrose Electric Assn.	20886100-022	UTILITIES - HWY 133 (SEWAGE	02/20/2024	3,762.99		70-51-28 UTILITIES	03/31/2024
Total Delta Montrose Electric Assn.:					3,762.99			
<b>DEPARTMENT OF THE TREASURY</b>								
1379	DEPARTMENT OF THE TREASU	CP134B - 0304	TAXES DUE FOR TAX PERIOD J	03/04/2024	95.39		10-41-04 EMPLOYER FICA	03/31/2024
1379	DEPARTMENT OF THE TREASU	CP134B - 0304	TAXES DUE FOR TAX PERIOD J	03/04/2024	95.40		60-50-04 EMPLOYER FICA	03/31/2024
1379	DEPARTMENT OF THE TREASU	CP134B - 0304	TAXES DUE FOR TAX PERIOD J	03/04/2024	95.40		70-51-04 EMPLOYER FICA	03/31/2024
1379	DEPARTMENT OF THE TREASU	CP134B - 0304	TAXES DUE FOR TAX PERIOD J	03/04/2024	95.40		80-52-04 EMPLOYER FICA	03/31/2024
1379	DEPARTMENT OF THE TREASU	CP134B-09302	ADJUSTED TAX AMOUNT FOR 9	03/18/2024	15,774.17		10-41-40 MISCELLANEOUS	03/31/2024
Total DEPARTMENT OF THE TREASURY:					16,155.76			
<b>Dependable Lumber, Inc.</b>								
46	Dependable Lumber, Inc.	2402-022834	VALVE, NIPPLES	02/28/2024	22.97		60-50-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2402-022937	PARTS FOR BRISCO VAULT	02/29/2024	42.95		60-50-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-023355	INSULATED GLOVES	03/04/2024	31.99		80-52-25 SHOP EXPENSE	03/31/2024
46	Dependable Lumber, Inc.	2403-023424	DRYWALL KNIFE	03/04/2024	17.99		10-41-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-023439	BOLTS & WASHERS	03/04/2024	.63		10-46-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-023600	PAINT TRAY LINERS & COVER F	03/05/2024	36.53		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
46	Dependable Lumber, Inc.	2403-023760	HOLE SAW	03/06/2024	26.49		70-51-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-023790	ROOT KILLER	03/06/2024	19.99		70-51-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-023834	RETURNED DAMAGED VINYL B	03/06/2024	38.99-		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
46	Dependable Lumber, Inc.	2403-023874	CONCRETE FOR ALLEY COLVE	03/07/2024	27.57		10-46-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-023979	BOLT, LOCK, WASHERS	03/07/2024	1.00		10-45-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-024120	BOLT, LOCK, WASHERS FOR R	03/08/2024	.81		10-45-22 REPAIRS & MAINTENANCE	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
46	Dependable Lumber, Inc.	2403-024303	HOUSEHOLD GLOVES	03/11/2024	7.99		70-51-16 OPERATING SUPPLIES	03/31/2024
46	Dependable Lumber, Inc.	2403-024522	LATEX GLOVES	03/12/2024	15.99		80-52-16 OPERATING SUPPLIES	03/31/2024
46	Dependable Lumber, Inc.	2403-024785	DUAL DISCS	03/13/2024	30.03		80-52-22 REPAIRS & MAINTENANCE	03/31/2024
46	Dependable Lumber, Inc.	2403-025516	9V BATTERY	03/19/2024	6.99		60-50-22 REPAIRS & MAINTENANCE	03/31/2024
Total Dependable Lumber, Inc.:					250.93			
<b>ENVIRO-CHEM ANALYTICAL INC</b>								
1221	ENVIRO-CHEM ANALYTICAL IN	14170815	LABS	02/27/2024	65.30		70-51-20 LEGAL, ENGINEERING & PR	03/31/2024
Total ENVIRO-CHEM ANALYTICAL INC:					65.30			
<b>FORWARD CONCEPTS LLC</b>								
1350	FORWARD CONCEPTS LLC	03082024	TREE SERVICES 700 SHADY LA	03/08/2024	1,000.00		10-46-02 CONTRACT LABOR-PARK C	03/31/2024
Total FORWARD CONCEPTS LLC:					1,000.00			
<b>Hach Company Inc</b>								
74	Hach Company Inc	13943609	PARTS FOR LAMBORN CALIBR	02/29/2024	1,218.64		60-50-16 OPERATING SUPPLIES	03/31/2024
Total Hach Company Inc:					1,218.64			
<b>HINKLE &amp; COMPANY, PC</b>								
1370	HINKLE & COMPANY, PC	14735	AUDIT FINANCIAL STATEMENT	02/15/2024	2,988.00		10-41-21 AUDIT & BUDGET EXPENSE	03/31/2024
1370	HINKLE & COMPANY, PC	14735	AUDIT FINANCIAL STATEMENT	02/15/2024	4,482.00		60-50-21 AUDIT & BUDGET EXPENSE	03/31/2024
1370	HINKLE & COMPANY, PC	14735	AUDIT FINANCIAL STATEMENT	02/15/2024	4,648.00		70-51-21 AUDIT & BUDGET EXPENSE	03/31/2024
1370	HINKLE & COMPANY, PC	14735	AUDIT FINANCIAL STATEMENT	02/15/2024	4,482.00		80-52-21 AUDIT & BUDGET EXPENSE	03/31/2024
Total HINKLE & COMPANY, PC:					16,600.00			
<b>International Code Council Inc</b>								
922	International Code Council Inc	Q15.00001878	ICC Membership - #1016371	02/20/2024	160.00		10-43-31 DUES & SUBSCRITPIONS	03/31/2024
Total International Code Council Inc:					160.00			
<b>IWORQ</b>								
1369	IWORQ	202858-B	PUBLIC WORKS PACKAGE, FLE	02/29/2024	875.00		10-42-31 DUES & SUBSCRIPTIONS	03/31/2024
1369	IWORQ	202858-B	PUBLIC WORKS PACKAGE, FLE	02/29/2024	875.00		10-45-31 DUES & SUBSCRIPTIONS	03/31/2024
1369	IWORQ	202858-B	PUBLIC WORKS PACKAGE, FLE	02/29/2024	1,750.00		60-50-31 DUES & SUBSCRIPTIONS	03/31/2024
1369	IWORQ	202858-B	PUBLIC WORKS PACKAGE, FLE	02/29/2024	1,750.00		70-51-31 DUES & SUBSCRIPTIONS	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
1369	IWORQ	202858-B	PUBLIC WORKS PACKAGE, FLE	02/29/2024	1,750.00		80-52-31 DUES & SUBSCRIPTIONS	03/31/2024
Total IWORQ:					7,000.00			
<b>Kelly PC</b>								
1277	Kelly PC	03022024	LEGAL SERVICES PROVIDED T	03/02/2024	4,371.00		10-41-20 LEGAL, ENGINEERING & PR	03/31/2024
1277	Kelly PC	03022024	LEGAL SERVICES PROVIDED T	03/02/2024	446.50		10-42-20 LEGAL, ENGINEERING & PR	03/31/2024
1277	Kelly PC	03022024	LEGAL SERVICES PROVIDED T	03/02/2024	164.50		10-46-20 LEGAL, ENGINEERING & PR	03/31/2024
1277	Kelly PC	03022024	LEGAL SERVICES PROVIDED T	03/02/2024	3,395.75		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024
1277	Kelly PC	03022024	LEGAL SERVICES PROVIDED T	03/02/2024	1,022.25		70-51-20 LEGAL, ENGINEERING & PR	03/31/2024
Total Kelly PC:					9,400.00			
<b>Leon, Susan</b>								
470	Leon, Susan	LEON-03-2024	Cleaning Contract	03/01/2024	775.00		10-41-20 LEGAL, ENGINEERING & PR	03/31/2024
Total Leon, Susan:					775.00			
<b>Mail Services, LLC.</b>								
645	Mail Services, LLC.	1929740	Postage	02/29/2024	188.94		60-50-17 POSTAGE	03/31/2024
645	Mail Services, LLC.	1929740	Postage	02/29/2024	183.39		70-51-17 POSTAGE	03/31/2024
645	Mail Services, LLC.	1929740	Postage	02/29/2024	183.39		80-52-17 POSTAGE	03/31/2024
Total Mail Services, LLC.:					555.72			
<b>Mesa County Health Dept Labs</b>								
763	Mesa County Health Dept Labs	4289-24	LAB TESTING 233 NIAGRA	03/05/2024	25.00		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024
763	Mesa County Health Dept Labs	4290-24	LAB TESTING 413 DELTA	03/05/2024	25.00		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024
Total Mesa County Health Dept Labs:					50.00			
<b>NAPA - Paonia Auto Parts</b>								
122	NAPA - Paonia Auto Parts	408863	Air Filter	02/12/2024	19.01		80-52-23 VEHICLE EXPENSE	03/31/2024
122	NAPA - Paonia Auto Parts	409561	Air Filter	03/11/2024	76.04		80-52-23 VEHICLE EXPENSE	03/31/2024
122	NAPA - Paonia Auto Parts	409565	BATTERY CABLES & TERMINAL	03/11/2024	3.29		60-50-22 REPAIRS & MAINTENANCE	03/31/2024
122	NAPA - Paonia Auto Parts	409565	BATTERY CABLES & TERMINAL	03/11/2024	3.29		70-51-22 REPAIRS & MAINTENANCE	03/31/2024
122	NAPA - Paonia Auto Parts	409565	BATTERY CABLES & TERMINAL	03/11/2024	3.29		10-45-22 REPAIRS & MAINTENANCE	03/31/2024
122	NAPA - Paonia Auto Parts	409624	EXTRACT FIT BLADES	03/13/2024	24.80		10-42-23 VEHICLE EXPENSE	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
Total NAPA - Paonia Auto Parts:					129.72			
<b>Norris, Mary</b>								
991	Norris, Mary	NORRIS-03-20	PENSION PAYMENT 03/2024	03/01/2024	560.00		60-50-44 NORRIS RETIREMENT	03/31/2024
991	Norris, Mary	NORRIS-03-20	PENSION PAYMENT 03/2024	03/01/2024	560.00		70-51-44 NORRIS RETIREMENT	03/31/2024
Total Norris, Mary:					1,120.00			
<b>North Fork Farmers Ditch Assoc</b>								
228	North Fork Farmers Ditch Assoc	032024	Annual Assessment for 2 Shares	03/01/2024	340.00		10-46-31 DUES & SUBSCRIPTIONS	03/31/2024
Total North Fork Farmers Ditch Assoc:					340.00			
<b>North Fork Service (Reedy's)</b>								
141	North Fork Service (Reedy's)	429605	Fuel - Police A2	02/01/2024	37.45		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429606	PW-FUEL	02/01/2024	15.03		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429606	PW-FUEL	02/01/2024	15.03		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429606	PW-FUEL	02/01/2024	15.03		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429606	PW-FUEL	02/01/2024	15.03		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429606	PW-FUEL	02/01/2024	15.03		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429607	PW-FUEL	02/02/2024	17.51		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429607	PW-FUEL	02/02/2024	17.51		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429607	PW-FUEL	02/02/2024	17.51		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429607	PW-FUEL	02/02/2024	17.51		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429607	PW-FUEL	02/02/2024	17.53		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429608	Fuel - Police A1	02/06/2024	25.10		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429609	PW-FUEL	02/08/2024	15.60		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429609	PW-FUEL	02/08/2024	15.60		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429609	PW-FUEL	02/08/2024	15.60		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429609	PW-FUEL	02/08/2024	15.60		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429609	PW-FUEL	02/08/2024	15.60		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429610	Fuel - Police A4	02/08/2024	28.35		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429611	Fuel - Police A8	02/09/2024	62.69		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429612	Fuel - Police A6	02/09/2024	31.20		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429613	PW-FUEL	02/09/2024	8.94		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429613	PW-FUEL	02/09/2024	8.94		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429613	PW-FUEL	02/09/2024	8.94		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429613	PW-FUEL	02/09/2024	8.94		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429613	PW-FUEL	02/09/2024	8.92		70-51-23 VEHICLE EXPENSE	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
141	North Fork Service (Reedy's)	429614	Fuel - Police A2	02/12/2024	46.00		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429615	Fuel - Police A5	02/12/2024	36.25		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429616	PW-FUEL	02/14/2024	16.40		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429616	PW-FUEL	02/14/2024	16.40		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429616	PW-FUEL	02/14/2024	16.40		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429616	PW-FUEL	02/14/2024	16.40		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429616	PW-FUEL	02/14/2024	16.40		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429617	PW-FUEL	02/15/2024	18.54		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429617	PW-FUEL	02/15/2024	18.54		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429617	PW-FUEL	02/15/2024	18.54		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429617	PW-FUEL	02/15/2024	18.54		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429617	PW-FUEL	02/15/2024	18.53		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429618	Fuel - Police A5	02/20/2024	36.00		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429619	Fuel - Police A2	02/21/2024	46.30		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429620	Fuel - Police A1	02/22/2024	37.55		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429621	Fuel - Police A4	02/22/2024	30.00		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429622	PW-FUEL	02/23/2024	23.48		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429622	PW-FUEL	02/23/2024	23.48		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429622	PW-FUEL	02/23/2024	23.48		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429622	PW-FUEL	02/23/2024	23.48		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429622	PW-FUEL	02/23/2024	23.48		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429623	PW-FUEL	02/27/2024	20.20		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429623	PW-FUEL	02/27/2024	20.20		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429623	PW-FUEL	02/27/2024	20.20		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429623	PW-FUEL	02/27/2024	20.20		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429623	PW-FUEL	02/27/2024	20.20		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429624	PW-FUEL	02/27/2024	12.70		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429624	PW-FUEL	02/27/2024	12.70		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429624	PW-FUEL	02/27/2024	12.70		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429624	PW-FUEL	02/27/2024	12.70		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429624	PW-FUEL	02/27/2024	12.72		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429625	Fuel - Police A5	02/27/2024	33.50		10-42-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429626	PW-FUEL	02/29/2024	17.33		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429626	PW-FUEL	02/29/2024	17.33		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429626	PW-FUEL	02/29/2024	17.33		10-46-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429626	PW-FUEL	02/29/2024	17.33		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429626	PW-FUEL	02/29/2024	17.33		70-51-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429627	PW-FUEL	02/29/2024	7.51		60-50-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429627	PW-FUEL	02/29/2024	7.51		10-45-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429627	PW-FUEL	02/29/2024	7.51		10-46-23 VEHICLE EXPENSE	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
141	North Fork Service (Reedy's)	429627	PW-FUEL	02/29/2024	7.51		80-52-23 VEHICLE EXPENSE	03/31/2024
141	North Fork Service (Reedy's)	429627	PW-FUEL	02/29/2024	7.53		70-51-23 VEHICLE EXPENSE	03/31/2024
Total North Fork Service (Reedy's):					1,316.62			
<b>One Delta County: An Economic Alliance</b>								
1168	One Delta County: An Economic	2024 IGA-003	IGA ONE DELTA COUNTY MUNI	02/21/2024	653.75		10-41-31 DUES & SUBSCRIPTIONS	03/31/2024
1168	One Delta County: An Economic	2024 IGA-003	IGA ONE DELTA COUNTY MUNI	02/21/2024	653.74		60-50-31 DUES & SUBSCRIPTIONS	03/31/2024
1168	One Delta County: An Economic	2024 IGA-003	IGA ONE DELTA COUNTY MUNI	02/21/2024	653.74		70-51-31 DUES & SUBSCRIPTIONS	03/31/2024
1168	One Delta County: An Economic	2024 IGA-003	IGA ONE DELTA COUNTY MUNI	02/21/2024	653.74		80-52-31 DUES & SUBSCRIPTIONS	03/31/2024
Total One Delta County: An Economic Alliance:					2,614.97			
<b>Paonia Farm &amp; Home Supply Inc</b>								
125	Paonia Farm & Home Supply Inc	180697	PACKING TAPE	02/23/2024	7.99		10-41-15 OFFICE SUPPLIES	03/31/2024
125	Paonia Farm & Home Supply Inc	181071	PADLOCKS	02/28/2024	24.99		70-51-25 SHOP EXPENSE	03/31/2024
125	Paonia Farm & Home Supply Inc	181071	PADLOCKS	02/28/2024	24.99		60-50-25 SHOP EXPENSE	03/31/2024
125	Paonia Farm & Home Supply Inc	181423	PAINTING SUPPLIES	03/05/2024	91.03		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	181428	PAINT ROLLERS	03/05/2024	15.58		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	181436	PAINTING SUPPLIES	03/05/2024	62.58		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	181463	PAIL & MUD MIX	03/05/2024	19.98		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	181484	CARPENTER PENCILS	03/05/2024	1.58		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	181545	DROP CLOTH	03/06/2024	3.49		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	181594	SCREW DOCK	03/07/2024	11.99		10-41-73 BUILDING IMPROVEMENTS	03/31/2024
125	Paonia Farm & Home Supply Inc	182025	GLOVES	03/13/2024	2.82		80-52-16 OPERATING SUPPLIES	03/31/2024
125	Paonia Farm & Home Supply Inc	182025	Gloves	03/13/2024	2.83		10-45-16 OPERATING SUPPLIES	03/31/2024
125	Paonia Farm & Home Supply Inc	182025	Gloves	03/13/2024	2.83		60-50-16 OPERATING SUPPLIES	03/31/2024
Total Paonia Farm & Home Supply Inc:					272.68			
<b>Peak Alarm Co., Inc</b>								
1119	Peak Alarm Co., Inc	1377469	ADMIN ALARM	04/01/2024	35.79		10-41-25 TOWN HALL EXPENSE	03/31/2024
1119	Peak Alarm Co., Inc	1377469	WATER ALARM	04/01/2024	35.79		60-50-25 SHOP EXPENSE	03/31/2024
1119	Peak Alarm Co., Inc	1377469	WW ALARM	04/01/2024	35.79		70-51-25 SHOP EXPENSE	03/31/2024
1119	Peak Alarm Co., Inc	1377469	TRASH ALARM	04/01/2024	35.79		80-52-25 SHOP EXPENSE	03/31/2024
Total Peak Alarm Co., Inc:					143.16			
<b>PHOENIX RISING RESOURCES LLC</b>								
1297	PHOENIX RISING RESOURCES	CAINV-000088	COMPREHENSIVE PLAN WORK	01/19/2024	7,175.00		10-41-20 LEGAL, ENGINEERING & PR	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
1297	PHOENIX RISING RESOURCES	CAINV-000092	SERVICES FOR 1/24/2024 - 03/0	03/08/2024	10,194.55	10-41-20	LEGAL, ENGINEERING & PR	03/31/2024
Total PHOENIX RISING RESOURCES LLC:					17,369.55			
<b>Phonz +</b>								
499	Phonz +	16411	Water	03/01/2024	614.02	60-50-31	DUES & SUBSCRIPTIONS	03/31/2024
499	Phonz +	16411	Sewer	03/01/2024	614.02	70-51-31	DUES & SUBSCRIPTIONS	03/31/2024
499	Phonz +	16411	General	03/01/2024	614.01	10-41-31	DUES & SUBSCRIPTIONS	03/31/2024
499	Phonz +	16411	Sanitation	03/01/2024	614.01	80-52-31	DUES & SUBSCRIPTIONS	03/31/2024
Total Phonz +:					2,456.06			
<b>PORTER, AMY</b>								
1378	PORTER, AMY	REIMBURSEM	REIMBURSEMENT OF OVERPA	03/15/2024	71.14	60-50-40	MISCELLANEOUS	03/31/2024
Total PORTER, AMY:					71.14			
<b>PROFESSIONAL MANAGEMENT SOLUTIONS</b>								
1325	PROFESSIONAL MANAGEMENT	84894	FINANCIAL CONSULTING FOR J	02/23/2024	2,328.75	10-41-20	LEGAL, ENGINEERING & PR	03/31/2024
1325	PROFESSIONAL MANAGEMENT	84894	FINANCIAL CONSULTING FOR J	02/23/2024	2,328.75	60-50-20	LEGAL, ENGINEERING & PR	03/31/2024
1325	PROFESSIONAL MANAGEMENT	84894	FINANCIAL CONSULTING FOR J	02/23/2024	2,328.75	70-51-20	LEGAL, ENGINEERING & PR	03/31/2024
1325	PROFESSIONAL MANAGEMENT	84894	FINANCIAL CONSULTING FOR J	02/23/2024	2,328.75	80-52-20	LEGAL, ENGINEERING & PR	03/31/2024
Total PROFESSIONAL MANAGEMENT SOLUTIONS:					9,315.00			
<b>Region 10</b>								
142	Region 10	AD02092024P	MEMBERSHIP DUES	02/09/2024	261.38	10-41-31	DUES & SUBSCRIPTIONS	03/31/2024
142	Region 10	AD02092024P	MEMBERSHIP DUES	02/09/2024	261.38	10-45-31	DUES & SUBSCRIPTIONS	03/31/2024
142	Region 10	AD02092024P	MEMBERSHIP DUES	02/09/2024	522.75	60-50-31	DUES & SUBSCRIPTIONS	03/31/2024
142	Region 10	AD02092024P	MEMBERSHIP DUES	02/09/2024	522.75	70-51-31	DUES & SUBSCRIPTIONS	03/31/2024
142	Region 10	AD02092024P	MEMBERSHIP DUES	02/09/2024	522.74	80-52-31	DUES & SUBSCRIPTIONS	03/31/2024
Total Region 10:					2,091.00			
<b>Rhinehart Oil Co.</b>								
1224	Rhinehart Oil Co.	56900CT	FUEL FOR TRASH TRUCK	02/29/2024	374.97	80-52-23	VEHICLE EXPENSE	03/31/2024
Total Rhinehart Oil Co.:					374.97			

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
<b>Robert's Enterprises Inc</b>								
145	Robert's Enterprises Inc	10616004535-	Trash SVS FOR 14432 & 14436 C	03/08/2024	110.00		80-52-02 CONTRACT LABOR	03/31/2024
Total Robert's Enterprises Inc:					110.00			
<b>SGM, INC.</b>								
1335	SGM, INC.	2013-471.014-	5TH ST./GRAND RE-ALIGNMEN	02/19/2024	4,691.25		10-45-20 LEGAL, ENGINEERING & PR	03/31/2024
1335	SGM, INC.	2013-471.014-	5TH ST./GRAND RE-ALIGNMEN	02/19/2024	1,108.75		70-51-20 LEGAL, ENGINEERING & PR	03/31/2024
Total SGM, INC.:					5,800.00			
<b>Shums Coda Associates</b>								
1170	Shums Coda Associates	17426	PLAN REVIEW SERIVCES FOR	02/05/2023	2,220.00		10-43-02 CONTRACT LABOR	03/31/2024
1170	Shums Coda Associates	17427	INPSECTION SERVICES PROVI	02/05/2024	430.00		10-43-02 CONTRACT LABOR	03/31/2024
1170	Shums Coda Associates	17428	CONSULTING SERVICES PROVI	02/05/2024	270.00		10-43-02 CONTRACT LABOR	03/31/2024
1170	Shums Coda Associates	17500	PLAN REVIEW SERIVCES FOR	02/29/2024	990.00		10-43-02 CONTRACT LABOR	03/31/2024
1170	Shums Coda Associates	17501	INSPECTION SERVICES FOR JA	02/29/2024	770.00		10-43-02 CONTRACT LABOR	03/31/2024
1170	Shums Coda Associates	17502	CONSULTING SERVICES PROVI	02/29/2024	150.00		10-43-02 CONTRACT LABOR	03/31/2024
1170	Shums Coda Associates	17538	PLAN REVIEW SERVICES FOR	03/17/2024	877.50		10-43-02 CONTRACT LABOR	03/31/2024
Total Shums Coda Associates:					5,707.50			
<b>Southwestern Systems, Inc</b>								
152	Southwestern Systems, Inc	203287	Jet Clean & TV Inspection	02/29/2024	1,722.40		70-51-22 REPAIRS & MAINTENANCE	03/31/2024
Total Southwestern Systems, Inc:					1,722.40			
<b>Stewart Ditch and Reservoir Co</b>								
226	Stewart Ditch and Reservoir Co	6558	Annual Assesments 2024	02/07/2024	648.45		10-46-31 DUES & SUBSCRIPTIONS	03/31/2024
Total Stewart Ditch and Reservoir Co:					648.45			
<b>TDS Telecom</b>								
156	TDS Telecom	970-527-4642-	Telephone+Internet FOR SEWER	03/10/2024	231.94		70-51-28 UTILITIES	03/31/2024
Total TDS Telecom:					231.94			
<b>The UPS Store #5734</b>								
1256	The UPS Store #5734	1Z1W8V57151	MAILING	03/05/2024	164.29		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
Total The UPS Store #5734:					164.29			
<b>T-MOBILE</b>								
1374	T-MOBILE	266033839-13	PD	03/01/2024	112.92		10-42-29 TELEPHONE & INTERNET	03/31/2024
1374	T-MOBILE	266033839-13	STREETS	03/01/2024	18.82		10-45-29 TELEPHONE & INTERNET	03/31/2024
1374	T-MOBILE	266033839-13	PARKS & REC	03/01/2024	18.82		10-46-29 TELEPHONE & INTERNET	03/31/2024
1374	T-MOBILE	266033839-13	WATER	03/01/2024	94.10		60-50-29 TELEPHONE & INTERNET	03/31/2024
1374	T-MOBILE	266033839-13	WASTE WATER	03/01/2024	94.10		70-51-29 TELEPHONE & INTERNET	03/31/2024
1374	T-MOBILE	266033839-13	SANITATION	03/01/2024	37.64		80-52-29 TELEPHONE & INTERNET	03/31/2024
Total T-MOBILE:					376.40			
<b>UNCC</b>								
161	UNCC	224020999	WATER RTL Transmissions	02/29/2024	12.26		70-51-20 LEGAL, ENGINEERING & PR	03/31/2024
161	UNCC	224020999	WW RTL Transmissions	02/29/2024	12.25		60-50-20 LEGAL, ENGINEERING & PR	03/31/2024
Total UNCC:					24.51			
<b>United Merchants Bank</b>								
1371	United Merchants Bank	8000003294	FUEL	03/01/2024	143.21		80-52-23 VEHICLE EXPENSE	03/31/2024
1371	United Merchants Bank	8000003294	POSTAGE	03/01/2024	174.60		10-41-17 POSTAGE	03/31/2024
1371	United Merchants Bank	8000003294	POSTAGE	03/01/2024	18.97		10-41-17 POSTAGE	03/31/2024
1371	United Merchants Bank	8000003294	PAYMENT FOR PW STAFF	03/01/2024	170.00		10-41-20 LEGAL, ENGINEERING & PR	03/31/2024
1371	United Merchants Bank	8000003294	POSTAGE	03/01/2024	1.87		10-41-17 POSTAGE	03/31/2024
1371	United Merchants Bank	8000003294	POSTAGE	03/01/2024	8.97		10-41-17 POSTAGE	03/31/2024
1371	United Merchants Bank	8000003294	NOTARY	03/01/2024	79.08		10-42-31 DUES & SUBSCRIPTIONS	03/31/2024
1371	United Merchants Bank	8000003294	FOOD WHILE TRAVELING	03/01/2024	21.00		10-42-26 TRAVEL, MEETINGS & TRAI	03/31/2024
1371	United Merchants Bank	8000003294	FOOD WHILE TRAVELING	03/01/2024	21.00		10-42-26 TRAVEL, MEETINGS & TRAI	03/31/2024
1371	United Merchants Bank	8000003294	HOTEL CHARGES	03/01/2024	534.91		10-42-26 TRAVEL, MEETINGS & TRAI	03/31/2024
1371	United Merchants Bank	8000003294	FUEL	03/01/2024	75.00		60-50-23 VEHICLE EXPENSE	03/31/2024
1371	United Merchants Bank	8000003294	SUPPLIES	03/01/2024	439.12		10-46-22 REPAIRS & MAINTENANCE	03/31/2024
Total United Merchants Bank:					1,687.73			
<b>USA Blue Book</b>								
441	USA Blue Book	INV00292059	MAINTENANCE KIT + STABLEC	02/29/2024	941.21		60-50-15 OFFICE SUPPLIES	03/31/2024
Total USA Blue Book:					941.21			

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Voided	GL Account and Title	GL Period Date
<b>Winwater Corp</b>								
491	Winwater Corp	07357401	SDR35 SADDLES	03/08/2024	315.42		70-51-22 REPAIRS & MAINTENANCE	03/31/2024
Total Winwater Corp:					315.42			
Grand Totals:					183,150.64			

Board Meeting Date: \_\_\_\_\_

Town Administrator: \_\_\_\_\_

Finance Committee: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date Reviewed: \_\_\_\_\_

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
<b>TOWN ADMINISTRATOR'S OFFICE</b>					
ADP Workforce Software Integration with Caselle	Now that the integration is complete on timekeeping and payroll, the integration to automatically book pay as reported in ADP to the GL in Caselle is being worked on with ADP and Professional Management Solutions.		11.1.23	11.24.23	12.1.23
FY-22 Audit	Professional Management Solutions reported that the Audit should be finished in October, 2023, after further discussion it was determined that an RFP will need to be submitted and an Audit firm selected. RFP was live on 8.16.2023 with a closing date of 9.14.23. Auditor Selected & Accepted on 9.25.23, Items for audit submitted to auditors, Accurate GL Trial Balance submitted to auditor 11.14.23. The Auditors have completed: General Review, Cash Review, Receivables Review, Accounts Payable Review, Revenues and Expenses Review, Net Assets Review, and No Single Audit was needed. The auditors are currently reviewing Capital Assets (Submitted 1.17.24), and Accrued Liabilities, Long-Term Debt. The auditors provided us with a Trial Balance Grouping to review for accuracy & consistency and that should be completed by 1.22.24. The audit is getting close to complete.		7.17.23	1.19.24	
CDOT Revitalizing Main Streets Grant, "Safe Pathways for Paonia," 3-Points InX Grand, 4th & 5th	SGM CO #1 Forthcoming adding scope of work for GeoTech Eng. Svcs., and MOT plan to design set & Striping Plan, and Adding Add'l. meetings to Project Admin. as req. by CDOT. (Odisea didn't include in original design). CO #1 approved at the 8.22.23 Board Meeting, CO #1 was executed and submitted to SGM on 8.28.23. CDOT approved RMS Grant, R/W acquired from School Board and design is being finalized for construction. CDOT & SGM informed the Town that construction is likely in Spring 2025 and the estimated probable cost of construction is \$2.5MM		7.14.23	1.19.24	
Policy Reviews: Purchasing, Internal Controls, and Personnel	Collecting various policies for review - first discussion at Department Head Meeting on 7.18.23, 8.1.23 Dept. Head meeting discussed procurement policies needing updates and building permit processes for updates. These processes and policies will be a product to be worked on during 2024. Purchasing, Internal Controls estimated completion 3/30/2024; Personnel estimated completion 6/30/2024.		7.17.23	11.24.23	
Ordinance for Water Companies/Agreements with Water Companies	At a minimum an agreement with water companies that describes expectations from the town, expectations from the water companies/subdivisions, indemnification, and insurance requirements should be considered to reduce liability to the town. Further discussion with the Water Attorney is necessary. Standardized IGA with Water Companies with clauses for mainetnace and increasing bulk water rates for non-compliance/if Water Company chooses to have the town complete maintenance. Town Attorney working on Draft Agreement for Hidden Valley water company. Multiple Water Companies have requested formalized agreements with the Town.		7.11.23	1.19.24	
Code Re-Write	If funded by DOLA grant, then an RFP will need to be issued to meet the competitive bid requirement. Scheduled a phone call with a separate consulting firm to get a budget figure on price for DOLA grant for 8.28.23, once budget price received, will submit to DOLA for their consideration. Received Council Approval for \$25,000 Match from DOLA Admin Grant on 9.14.23. Submission of Grant on 9.15.23. Resubmitted Grant information to DOLA on 11.22.23. RFQ will be live in 2024 after grant funding is awarded and approved. RFQ will be made live on 2.5.24		7.11.23	1.19.24	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
Chase ink Credit Account	Submitted a letter to Chase Card Services to get control of the online banking account for the Chase ink Credit Card. Would like to see if any cashback rewards have been earned, and if so, where are they. Continue to get control of Chase Bank Credit Cards - will need to travel to Telluride and visit Chase Banker in person. Form has been signed by former finance director and signed by myself and sent to Chase Bank for final approval. Awaiting Chase Banks response.		7.28.23	1.19.24	
Return Un-used items from SIPA grant	Returned Klipsch Bluetooth Speakers for a credit, opened a case with Amazon to return the audioquest dragonfly cobalt DAC, need to contact Amazon to return (2) Ankerwork Powerconf S500 units.		8.1.23	8.1.23	
Special Event Process and Applications	Improve the process and include the recent ordinance for street closures in the application process. This also includes the process for park reservations. Expected completion date: 5/31/24		8.1.23	11.24.23	
DOLA IHOP Grant Reporting - Housing Needs Assessment	Reimbursement reporting for IHOP Grant. Submitted first reimbursement request for HNA in the amount of \$32,348.25. Expect to receive the balance of funds during final reporting period of FY-23, or first reporting period of FY-24. Requested to amend the contract for IHOP Grant to allow for code revision language and tying the HNA into the Housing Element of the Comprehensive (Master) Plan.		8.31.23	1.19.24	
Ordinance for Traffic Schedules	Ordinance for traffic schedules including: revized speed limit schedule, traffic control signage schedule, and crosswalk schedule. Draft is complete, discussion with Staff at 8.29.23 Department Head meeting, and send to Town Attorney for Review. 9.12.23 meeting introduced ordinance for speed limits, stop signs, crosswalks, and parking restrictions. Revised Final Draft Ordinance to be on December 12, 2023 Meeting.		8.1.23	11.24.23	12.12.23
<b>FINANCE DEPARTMENT</b>					
Caselle GL Updates & Chart of Accounts	Professional Management Solutions working with Amanda to get Chart of Accounts correct and GL updated with the most recent reconciliations. This will be marked ongoing until it becomes a normal internal process completed by Staff.		3.1.23	ONGOING	
Schedule of Fees	Introduced at the 7/11/23 Council Meeting. Further discussion may be warranted - including with sidewalk fees. To be on December 12, 2023 Meeting - balancing the FY-2024 Budget relies on edits to the schedule of fees.		7.11.23	11.24.23	12.12.23
Utility Rate/Fees	Proposed Water and Sewer Rate increases will be on the December 12, 2023 Board meeting for consideration of approval.		7.14.23	11.24.23	12.12.23
Working on chase credit cards for Michelle	Half way through entering each item on an excel sheet. Some things need to get coded.		9/8/2023	11/10/2023	12.1.23

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
CLERK'S DEPARTMENT					
Equipment Surplus	Followed up on this item so Surplus can be looked at		7.19.23	1.30.24	
Records Management System Development and Implementation	Subscribed to NAGARA (National Association of Government Archives & Records) for training and best practices of developing records management	\$285/year for 3 user accounts		1.29.24	
Records and vault reorganization, retention compliance	Actively going through, starting new organization process and logging- goes slow due to time constraints	Staff Time	8.15.23	1.30.24	
Point & Pay/ Caselle Integration	Training now being scheduled, integration is complete, should be fully operational by April	Point and Pay Absorbed Costs	2.15.23	03.22.24	
Create checklists for Clerk Duties	Create checklists, for all permits, licensing, agenda, board meeting, record retention, new hires etc for consistency and thoroughness. Updating as we go concurrent with the training for new Deputy Clerk - Ongoing	Staff Time	7.19.23	1.29.24	
MuniDocs clean- up & catch up	Still in process as time permits, This has also become the landing place for Board Committee Agenda's and minutes		9.14.23	03.20.24	
2024 Municipal Election	Ballot box is open and will be locked at 7 pm on April Second	\$2,094.00	11.15.23	03.22.24	
Special Events Process	Reimplemented Pre-event Staff meetings for ALL Events, created note template for filing and follow-up and set Policies. Working with Town Administrator to propose a policy to help streamline processes and make Special Events easier to administer and regulate.		7.1.23	11.24.23	
TextMyGov	Textmy Gov is live , being fine-tuned as we go and now public hearing info is going out with a link to the website		12.1.2023	03.22.24	
Process new Liquor License	Hearing complete, license approved, state license recieved, final inspection complete and local license issued		12.20.23	1.30.24	03.05.24
Process new Retail Marijuana license	License conditionally approved by Board pending Tax Bond, sign design compliance and final building permit approval. Administrator and Clerk have worked with RMJ license holders on bond and sign process and Clerk has sent letter of conditional approval to the MED.	Revenue \$5000.00	11.15.23	03.22.24	
Minor Subdivision	1.23.24 @ 6:30 pm Approved with Conditions		11.22.23	1.23.24	1.23.24

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
Transfer Ownership of Liquor License	Public Hearing scheduled for 3.26.24	Revenue \$825	2.9.24	03.22.24	
<b>PUBLIC WORKS DEPARTMENT</b>					
Sidewalk Asset Plan	Working with contractor to determine which projects have been completed within the last 4-5 years. Asset Plan found and being implemented from SGM in 2020.		6.14.2023	11.24.23	
ADA Transition Plan	Discussed at Department Head Meeting, will need to begin to evaluate crossings throughout intersections in Town. Will add this to fulcrum and add notes in GIS about intersections in compliance and intersections that need to be brought into compliance with ADA standards. Working with Town Administrator to accomplish a true plan.		8.1.23	11.24.23	
Remove old flagpoles from arch at Town Hall and Replace with US Flag and Colorado Flag under archway	Cory to evaluate what can work underneath the archway that can safely and respectfully display the US flag and the Colorado State Flag. PW Staff fabricating a hanging display for under the vestibule 8.25.23. Need to schedule time to install with employees.		8.1.23	11.24.23	
Miner's Memorial in Town Park	Add Temporary vapor barrier to top of walls while awaiting new granite pieces being purchased. Completed 10.15.23.	\$2,500	8.22.23	11.24.23	10.15.23
Add cornering mirror at Pan American and Rio Grande	Completed installation of cornering mirror at Rio grand and Pan A	\$300	8.8.23	11.24.23	
Working on lead service line inventory	Collecting and analyzing historical records		11/6/2023	11.13.23	
Mays water availability.	Conveyance agreement with Bone Mesa for raw water coming off of Gelwick through the Town's pipe to the splitter box at Mays				
construction standard update	need to update construction standards for utility,road, street,and sidewalks.		2/2/2024	2/5/2024	
Purchase and install Signs (speed and stop).	Getting quotes for signs 1-2024			1.31.24	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
<b>WATER DEPARTMENT</b>					
Utility Fee Study	Water and Sewer Rates need to be reviewed. 20-year cash flow analysis for water and upcoming restrictions on NPDES permit for wastewater necessitate increases in the rates for utilities. Proposed Rate increases on the Board agenda for December 12, 2023.		7.14.23	11.24.23	
CDPHE Free Assistance Program for Lead Service Lince Replacement	Applied today for the program with Cory and Stefen as PoC. Will evaluate this program in FY-2024.		8.1.23	11.24.23	
Replace meters at Burges & Lamborn Mesa Water Companies	Burges Vault in process of repair and Lamborn Mesa meter replacement will begin soon. Final cost for completing these projects need to be submitted to the Town Administrator and Finance for appropriate accounts receivable.		8.3.23	11.24.23	
Mays Metering.	Raw Water at the Mays Springs is being metered. Data is being sent to Brian Mitchem. This is before the split to Bone Mesa.				
Mays Cleanup	Clearing trees and brush at Mays along the springs so that tree roots don't get into the pipes				
<b>WASTEWATER DEPARTMENT</b>					
Utility Fee Study	Water and Sewer Rates need to be reviewed. 20-year cash flow analysis for water and upcoming restrictions on NPDES permit for wastewater necessitate increases in the rates for utilities. Proposed Rate increases on the Board agenda for December 12, 2023.		7.14.23	11.24.23	
NPDES Contact Update	Stefen needs to be added as the Executive/Administrative contact for the NPDES Permit. All Correspondence regarding NPDES Permit needs to go to Town Hall Attention: Stefen Wynn, Town Administrator. Follow-up needed to make sure that this is properly completed.		8.1.23	11.24.23	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
POLICE DEPARTMENT					
Compiling possible municipal code additions, subtractions, and combinations to adress shortfalls in current muni code	The department is looking at approximately five (5) code updates/ replacements/new codes to be added by the end of the year.		5/1/2023	3/1/2024	
Reviewing possible municipal code fee/fine updates to adress shortfalls in current muni code	Reaching out to other like sized or surrounding muniaplities to compile fee and fine amounts. Final recommendations are needed for inclusion in a future packet.	UNK	4/1/2023	3/1/2024	
Police Service Tech office space	PW is working on adding an interior door to an existing office	\$1,500	2/1/2024	3/1/2024	
Lexipol Policy manual review and implementation.	Policies are being reviewd weekly and some changes made. Some policies are sent to town legal counsel for review and input.	PD Admin Function	12/1/2022	3/1/2024	
Patrol Car Outfitting	With a fully staffed department we are needing to get a patrol car fully set up. The patrol car currently being used by the newest officer has no cage for safely transporting individuals. The patrol car is also lacking any radar equipment or overhead lighting.	PW Staff/Donated Eqpt	4/1/2023	3/1/2024	
Open Patrol Position	reviewing candidate applications and scheduling interviews	Admin Function	1/5/1900	3/1/2024	
New traffic signage	Department is compiling a list of needed signage and locations for possible install.	UNK	1/1/2024	3/1/2024	
ESS Security Training	Department Staff are continuing to take the ESS trainings and work towards the 630 Point minimum point threshold	Patrol Function	5/1/2023	3/1/2024	Continuous
Need more cloud based storage for bodycam footage storage.	Awaiting budget to actuals for 2023 fiscal year to identify purchasing window.	\$3,304.40 for BWC and increased storage.	8/1/2023	3/1/2024	
Patrol Truck has significant hail damage	Truck is scheduled for repair on March 14th 2024	Insurance	7/1/2023	3/1/2024	
Implementation of Spillman FLEX	Working with DCSO on acquiring database access	\$25,121.24	3/1/2023	3/1/2024	
Employee appraisal/review	Packets are completed and beeing reviewed by Admin staff	Admin/patrol function	1/1/2024	3/1/2024	
Need one more bodycam to outfit all sworn officers with contracted equipment.	Contract has been signed and submitted, awaiting delivery of new equipment	\$3,304.40 for BWC and increased storage.	8/1/2023	3/1/2024	
CDOT Revitalizing Main Streets Grant, "Safe Pathways for Paonia," 3-Points InX Grand, 4th & 5th					
CO#1 from SGM	SGM CO #1 Forthcoming adding scope of work for GeoTech Eng. Svcs., and MOT plan to design set & Striping Plan, and Adding Add'l. meetings to Project Admin. as req. by CDOT. (Odisea didn't include in original design.	\$40,000.00	7.17.23	11.24.23	
Water Department Water Line Verification	Water Line under InX may need replaced if it's steel or iron. Cost will be internal labor to replace it, and needs coordinated with final contractor - WD to verify pipe under roadway. Verified that the pipe was replaced with plastic, but the fire hydrant that it connects to is almost 40 years old and time to be replaced. It will be included in the intersection improvements.		7.17.23	11.24.23	
Construction Timeline	Construction is estimated to begin in Late-Spring - Mid-Summer of FY-2024.	\$1,032,000.00	7.17.23	11.24.23	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
R/W Acquisition - School Board	Plat from the school needs to be recorded - need to contact Wilmore for changes to legal description; County needs to give R/W ASAP; Need to contact private property owner about R/W in front of home (may have an easement). Scheduled to go to the next School Board Meeting for approval - scheduled for 9.14.23. Received the school board R/W, Paonia Plan commission approved in October, and Board of Trustees to consider approval on 11.28.23	N/A	7.17.23	11.24.23	
Verify R/W for County	Portions of the project lay within the Delta County. The portions within Delta County were given to them by CDOT and there may exist an agreement that the County hold it in perpetuity. SGM is checking with CDOT to ensure that the agreement between CDOT and Delta county is sufficient for project purposes. Once confirmed, all R/W will have been acquired for this project.	N/A	11.1.23	11.24.23	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
<b>DORRIS AVE. SEWER REPLACEMENT</b>					
Project Closeout	Project has been completed. CO #1 & #2 have been approved and after final payment is submitted for the change orders, the project will be completely closed. Reimbursement Requests have been submitted and returned by DOLA. Resubmission in the appropriate format will be the week of 11.27.23. The maximum project award for Tier I EIAF grants is \$200,000. This project was awarded approximately \$130,000. The TA will ask to see if the grant request can be amended since bids were higher than expected and there were two change orders that were unforeseen.		7.17.23	11.24.23	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
<b>Hydrogeological Study</b>					
Grant for \$25,000 Colorado River Water Conservation District Grant	Contract, COI and W-9 sent and received		7.20.23	11.24.23	
Grant from Roundtable	\$25,000 awarded to Paonia for completing the Hydrogeological Study		7.20.23	11.24.23	
CWCB Grant	Awarded \$147,973 towards the Hydrogeological Study		7.20.23	11.24.23	
RFP Available on Bidnet	RFP for completing the study is live on bidnet and consultants have been direct solicited.		11.1.23	11.24.23	
<b>HOUSING NEEDS ASSESSMENT</b>					
Housing Needs Assessment	Final HNA and Housing Action Plan has been accepted by the Plan Commission and Board of Trustees and will be included in the <b>DRAFT of the Master (Comprehensive) Plan.</b>		5.1.23	11.24.23	
DOLA IHOP Reimbursement	3rd Quarter FY-23 reimbursement request submitted and \$32,348.25 will be sent to the Town from DOLA. 4th Quarter FY-23 reimbursement will be submitted and the final reimbursement amount will be requested.		7.1.23	11.24.23	

**TOWN OF PAONIA  
DEPARTMENTAL SCORE CARD**

ISSUE	STATUS	ESTIMATED COST	INITIAL PROJECT DATE	CURRENT STATUS DATE	DATE COMPLETED
<b>MASTER PLAN</b>					
Met with Phoenix Rising Resources	On 1.5.2024, met with Phoenix Rising Resources Principal to go over expectations and a timeline to finish the project.		5.1.23	1.19.24	
Timeline	1/17 PC Meeting with Status Update; 1/22 Survey Questions from Consultant for Publication; 1/23 Status Update for BoT; 2/2 Staff Meeting with Consultant; 2/27 Status Update for BoT; 2/28 FLUM Meeting PH at PC; 3/1 Staff Meeting with Consultant; 3/13 Draft Element Presentation PH at PC Meeting for Infrastructure; 3/26 Status Update for BoT; 3/29 Staff Meeting with Consultant; 4/3 Draft Element Presentation PH at PC for Transportation, Governance & Community Participation; 4/23 Status Update for BoT; 4/26 Staff Meeting with Consultant; 5/1 Draft Element Presentation PH at PC for Growth Framework, Economic Development, Parks, Recreation & Trails; 5/28 Status Update for BoT; 6/5 Final Presentation PH for Adoption at PC; 6/18 PH Final Adoption by BoT	\$52,395.00	1.19.23	1.19.23	
DOLA Planning Grant	Reimbursement for work already completed will be submitted during week of 11.27.23		5.1.23	11.24.23	
<b>PHASE I - WATER IMPROVEMENTS</b>					
Proposed Alignment	Meeting held on 7.24.23 regarding Existing water line alignment & GIS Data Accuracy. Proposed alignment options to consider, avoid easements by placing the water line in road R/Ws. AC line feeding old water plant, Evaluate PRV needs. Main Line improvements are being realigned so that they follow existing rights of way along roadways in areas that they are possible to be relocated.		7.24.23	11.24.23	
Easement Acquisition	May need to plan for two lines, potable and raw water, Town representative to negotiate easements (Town Administrator) once they're located. Land acquisition amounts have changed and are being finalized, if necessary at all.		8.1.23	11.24.23	
Items Needed from Town Staff	As built for PVC Loop; Exhibit of consecutive systems; photos of PRV 7; 8 & 9 (Jordan provided on 7/25 to Respec); Inventory meters to be replaced along the alignment. All items needed from Town Staff have been provided, including the 20-year cash flow analysis for the Project Needs Assessment.		7.25.23	11.24.23	
File for EIAF Tier II Grant	On 7.27.23, a grant application was filed for EIAF Tier II with project number 09721. DOLA Staff accepted the application for consideration on 8.3.23. Town was awarded \$965,000 for Tank Relining.	\$ 965,000.00	7.27.23	11.24.23	
Project Needs Assessment	Has been completed and submitted to CDPHE for consideration. Staff, consultants and Mayor Bachran completed various pieces of the PNA, and this is a monumental step towards project funding for DWSRF.		3.1.23	11.24.23	
SRF Loan Application	SRF Loan Application is being considered for FY - 2024 and is budgeted for approximately \$7.3MM		3.1.23	11.24.23	
American leak detection survey, Jeremiah working on it	Ord , dry gulch, and lone cabin east loop still need surveyed		4.1.23	12.12.23	



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# Annual Comprehensive Financial Report

*For the Year ending December 31, 2022*





Honorable Mayor and Members of the Board of Trustees  
Town of Paonia, Colorado  
Paonia, Colorado

We have audited the financial statements of the Town of Paonia, Colorado (the Town) as of and for the year ended December 31, 2022 and have issued our report thereon dated March 15, 2024. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility under Generally Accepted Auditing Standards**

As communicated in our engagement letter dated September 25, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the Town's internal control over financial reporting and compliance solely for the purpose of designing our audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control or on compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

#### Office Locations:

Colorado Springs, CO  
Denver, CO  
Frisco, CO  
Tulsa, OK

We applied certain limited procedures to the required supplementary information (RSI). However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI. With respect to the supplementary information accompanying the financial statements, we performed procedures to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements.

#### Denver Office:

750 W. Hampden Avenue,  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

### **Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except as discussed in the following paragraph. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the significant estimates in determining that they are reasonable in relation to the financial statements as a whole.

### **Corrected and Uncorrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not have any uncorrected adjustments.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Difficulties Encountered in Performing the Audit**

We encountered no difficulties dealing with management during the audit process.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated March 15, 2024.



### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves the application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and the responses were not a condition to our retention.

### **Conclusion**

This report is intended solely for the information and use of the Honorable Mayor and Members of the Board of Trustees and management of the Town of Paonia, Colorado and is not intended to be, and should not be, used by anyone other than these specified parties.

*Hick & Company, PC*

Englewood, Colorado  
March 15, 2024



**Town of Paonia, Colorado**  
**Financial Statements**  
with Independent Auditor's Report  
**December 31, 2022**



# Town of Paonia, Colorado

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## Independent Auditor’s Report

Honorable Mayor and Members of the Board of Trustees  
 Town of Paonia, Colorado  
 Paonia, Colorado

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the business-type activities and each major fund of the Town of Paonia, Colorado (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Town as of December 31, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

The Town’s management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Office Locations:  
 Colorado Springs, CO  
 Denver, CO  
 Frisco, CO  
 Tulsa, OK

Denver Office:  
 750 W. Hampden Avenue,  
 Suite 400  
 Englewood,  
 Colorado 80110  
 TEL: 303.796.1000  
 FAX: 303.796.1001  
 www.HinkleCPAs.com

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Honorable Mayor and Members of the Board of Trustees  
Town of Paonia, Colorado  
Page 3

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hick & Company, PC*

Englewood, Colorado  
March 15, 2024





3/12/2024

To the Mayor, Board of Trustees, and the Residents of the Town of Paonia:

The statutes of the State of Colorado require local governments to publish the results of their annual audit and a comprehensive report of financial statements. The report must conform to generally accepted accounting principles (GAAP), and the accounting requirements established by the Governmental Accounting Standards Board (GASB). The Town of Paonia must have its financial statements audited by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the Town of Paonia, Colorado for the fiscal year ended December 31, 2022.

The Annual Comprehensive Financial Report (ACFR) is presented in six sections:

1. The **Independent Auditor's Report**, which includes general information about the audit as provided by the Town's independent licensed certified public accountants, Hinkle and Company, P.C.
2. The **Management's Discussion and Analysis (MD&A)**, which includes an analysis of the Town's financial performance for both governmental activities and business-type activities (enterprise funds such as water, wastewater, and trash). The MD&A also includes discussions on compliance, risks such as long-term debt, and investments in capital assets such as infrastructure, buildings, and equipment. This section should be read in conjunction with this Transmittal Letter.
3. The **Basic Financial Statements** include the report from the Town's external auditors, and basic financial statements. These documents include the government-wide financial statements comprised of the Statement of Net Position, the Statement of Activities, and the accompanying notes to the financial statements. This section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, and the combined individual funds financial statements for the nonmajor governmental and proprietary funds and the internal service funds.
4. The **Required Supplementary Information** includes Required supplementary information, other than the MD&A, which is comprised of the General Fund budget to the actual schedule and information about the Town's defined benefit retirement plans. This section also includes information about Special Revenue Funds like the Sales Tax Improvement Fund, Conservation Trust Fund, and the Street Fund.

5. The **Supplementary Information** includes information about nonmajor governmental funds, which includes Statements of Revenues, Expenditures, and Changes in Fund Balance. The section also includes Budgetary Comparison Schedules for the Sidewalk fund, and the water, sewer, and trash funds.
6. The **Compliance Section** contains a report summarizing the Town’s Local Highway Finance Report.

This report consists of management’s representations concerning the finances of the Town of Paonia, Colorado. Consequently, management retains full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established and continues to improve a comprehensive internal control framework that is designed to both protect the Town’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Paonia’s financial statements in conformity with generally accepted accounting principles (GAAP). Management has designed the Town of Paonia’s internal controls framework to provide *reasonable*, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The Town of Paonia’s financial statements have been audited by Hinkle and Company, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2022, are free of material misstatement presented in accordance with United States GAAP and accounting requirements established by the Governmental Accounting Standards Board (GASB). The audit involved examining, on a test-basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation.

The independent auditor gave an unmodified opinion for the Town’s fiscal year 2022 financial statements. As a result, we can provide reasonable assurance that the financial information contained in this report is complete, reliable, and accurate. The independent auditor’s report was presented before this transmittal letter, and stated, “in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Town as of December 31, 2022.”

## **PROFILE OF THE TOWN OF PAONIA, COLORADO**

### ***Introduction***

The Town of Paonia was organized under the 1877 laws of the State of Colorado and is located in Delta County. Paonia was incorporated, on July 21, 1902, by Delta County Court Order, following a successful election for incorporation held on July 14, 1902, in which 100 people voted for incorporation and 1 person voted against incorporation.

The Town of Paonia is a statutory town and is limited to exercising governing powers that are granted by the State of Colorado and are subject to provisions and limitations imposed by the state.

In 1902, Paonia was first incorporated as a Mayor – Council form of Government with a Board of Trustees serving as the “Council” and legislative body. The Mayor and Trustees are elected to staggered four-year

terms. The Mayor and Board of Trustees passed Ordinance 2014-09, establishing the position of Town Administrator and enumerated the duties, and powers of the position to include all executive and administrative functions for the proper management of the Town.

The Town Board provides strategic leadership, goal setting and policy-making authority, and employs the Town Administrator who is responsible for the day-to-day management, financial and technical support to ensure equitable, efficient, and effective implementation of government services to our citizens.

The Town provides a full range of public services, including a Police Department, Municipal Utilities (water, wastewater, and trash), Infrastructure (drainage, streets, public buildings, airport, and sidewalks), and Cultural and Recreational programs (parks and recreation activities).

Other governmental services are provided through various agencies and special districts that includes fire protection through the Paonia Volunteer Fire Department (Delta County FPD#2); North Fork EMS; the North Fork Pool, Parks, and Recreation District; the Paonia Public Library, a branch office of the Delta County Library District; and two Cemetery Districts.

Management includes component units in the reporting entity in conformance with GAAP. The financial statements include all funds that make up the legal entity of the *primary government*, namely the Town, as well as organizations for which the Town is financially responsible. The Town also participates in a joint venture with Delta County. The Paonia Municipal Airport is jointly owned by the Town of Paonia and Delta County and operates under an intergovernmental agreement signed by both parties.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments of the Town are required to submit requests to the Town Administrator and Treasurer in August of each year for the following year’s budget. The Town Administrator then uses those requests to develop the proposed budget, typically presented to the Board of Trustees in September/October. The Board of Trustees is required to hold a public hearing prior to the final adoption of the budget. Pursuant to Colorado Revised Statutes, the Board of Trustees shall adopt a final budget in a timely manner prior to the start of the ensuing budget/fiscal year. Annual appropriations must also be adopted.

The appropriation resolutions are prepared and adopted by fund. The Town Administrator and Treasurer may make transfers of appropriations within a department or fund. Transfers of appropriations between funds and additional appropriations require additional approval from the Board of Trustees and is completed through the budget amendment procedures as established by Colorado Statutes.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 42 of the Financial Statements of this report and is included in the Required Supplementary Information section. For all other budgeted funds, these comparisons are presented in the Supplementary Information subsection, which starts on page 44.

***Factors Affecting Financial Condition***

The information presented in the financial statements is best understood when it is considered from a broader perspective of the environment within which the Town of Paonia operates.

**Local Economy:** The Town was impacted during the fiscal year ending December 31, 2022, by the ongoing effects of the global pandemic (COVID-19). During the year, ongoing impacts most significantly involved navigating staffing constraints while maintaining a safe work environment and meeting the needs of the Residents of Paonia. Inflation of prices for goods and services is another challenging and lasting impact of the global pandemic with a direct impact on the local, regional, and national economies. Increases in interest rates have led to a positive increase in investments that the Town has, but also an increase in the cost of normal goods and services required for day-to-day operations. The General Fund unrestricted balance

increased \$942,615 in 2022. For 2023, management estimate that the General Fund balance will increase, but at a smaller increment as more vacant staffing positions are filled and the Town increases staffing levels in the Public Works department.

The Town is a major cultural destination due to its inclusion in state programs for viticulture and creative districts. During Summer months, the Town enjoys a significant increase in tourism due to the events sponsored by the North Fork Valley Creative Coalition such as *Pickin' in the Park* and the *Mountain Harvest Festival*. Paonia also hosts several other festivals, including: the Paonia Cherry Days Festival, and Top 'O the Rockies, BMW Rally.

Other constraints on the local economy include a moratorium on the sale of new water taps and extension of new water lines. This moratorium has effectively stopped any growth of new residential or commercial developments within the Town. Once conditions of the moratorium are met, and the Town grasps the capacity of its natural resources for sustainable development, these limiting factors may be reduced.

**Long-Term Financial Planning:** To continue the Town's historic investment in capital assets, the Town recognized that the cost of doing business has also increased. At the close of 2022, the Board of Trustees adopted Resolution 2022-14 increasing the basic rate of the Trash Utility. The Town also passed Resolution 2022-15 increasing the water rates and charges for all users and passed Ordinance 2022-08 increasing the wastewater/sewer rates. The Town will continue to evaluate the cost of improvements to its enterprise activities and will review rates annually to ensure that capital needs are financed.

**Debt Management:** The ratio of net general bonded debt to assess valuation and the amount of general bonded debt per capita are useful indicators of the Town's dept position to municipal management, Residents, and investors. Although the Town has debt related to refunding revenue bonds in the wastewater utility, the Town does not have any general obligation debt outstanding and has not pledged the use of all available resources for long-term debt.

**Major Initiatives:** The Town continues to work toward financial sustainability. In 2023, as well as in the 2022 budget, major initiatives are set forth to take the Town into the future. Infrastructure maintenance, improvement and replacement is a priority for the Town, and building fund balance in all funds remains a top priority. Recognizing the value of Town employees continues to be an important aspect of the budgeting process, and Trustees have decided to invest in staff. The Town also continues to prioritize customer service and Resident engagement.

Preparing this report could not have been accomplished without the dedication of employees in Town Hall. Each staff member in the Administration Department, and the staff of our bookkeeping consultant has my earnest appreciation for the contributions made in the preparation of this report. I would also like to express my appreciation to Hinkle and Company, P.C., the firm that serves as our external auditors. All of us worked on the financial statements without experiencing the day-to-day operations of fiscal year 2022 and became affiliated with the Town during fiscal year 2023. Without the team effort, these financial statements and this report may not have ever been completed.

In Public Service,

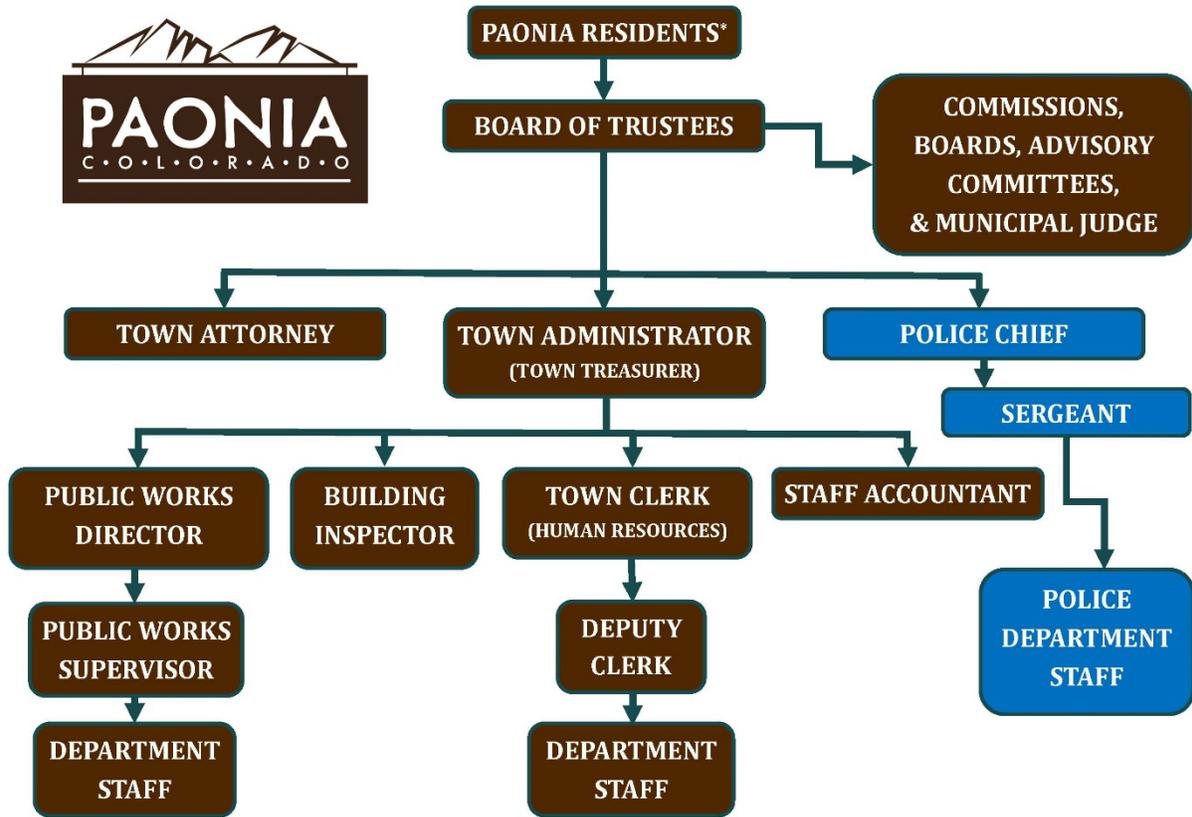


**Stefen A.B. Wynn, M.P.A.**

*ICMA-CM*

***Paonia Town Administrator/Treasurer***

# Town of Paonia Organizational Chart



\*Paonia Residents serve a crucial but *limited* role in the Town's governance. The residents' role is defined by Colorado Constitution and state and local laws, including, without limitation, those provisions concerning the election of candidates to municipal offices, the right to vote on matters involving municipal taxes and debt, the right to speak during public hearings, and with regard to legislative matters only, the powers of citizen initiative and referendum. This organizational chart is not intended, nor shall it be deemed, to grant or expand any rights to Paonia Residents above that required by the Colorado Constitution and applicable state and local laws, and specifically does not authorize Paonia Residents to direct Town officers or employees with respect to such employees' or officers' duties or job responsibilities.

As management of the Town of Paonia, we offer readers of the Town of Paonia's Financial Statements this narrative overview and analysis of the financial activities and performance of the Town of Paonia for Fiscal Year ended December 31, 2022. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

**Financial Highlights**

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$16,343,328 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$11,168,496 include property, equipment, and infrastructure such as roads, bridges, sidewalks and similar items, net accumulated depreciation, and reduced for outstanding debt related to the purchase of construction of capital assets.
  - (2) Net position of \$761,909 are restricted by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted, unreserved net position of \$4,412,923 represents the portion available to maintain the Town's continuing obligations to Residents and creditors.
- The Town's governmental funds reported total ending fund balance of \$2,471,248 this year. This compares to the prior year ending fund balance of \$1,640,840 showing an increase of \$830,408 during the current year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,721,305, or 144% of total General Fund expenditures and other financing uses.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented where available.

***Government-wide Financial Statements***

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting

at this level uses a perspective like that found in the private sector with its basis in accrual accounting and elimination of reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the Town's infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers. Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by sales tax and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, and community services (building & zoning). Business-type activities include the water and sewer systems, and solid waste.

The government-wide financial statements are presented on pages 4 through 5 of the Financial Statements included with this report.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

#### **The Town has two kinds of funds:**

*Governmental Funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-range view, comparisons between these two perspectives may provide insight into the long-range impact of short-range financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 6 through 9 of the Financial Statements included with this report. Individual fund information for nonmajor governmental funds is found in combining statements in the supplementary section of this report.

*Proprietary Funds* are reported in the fund financial statements and generally report services for which the Town charges a fee. The town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented in business-type activities in the government-wide financial statements. The Town uses enterprise funds for its water and sewer systems, and sanitation (trash).

The basic enterprise fund financial statements are presented on pages 10 through 13 of the Financial Statements included with this report. There are no nonmajor enterprise funds, but if there were, individual fund information for nonmajor enterprise funds are found in the combining statements of the supplementary section of this report.

***Notes to the Basic Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of the Financial Statements included with this report.

**Required Supplementary Information**

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) on the Town's budgetary comparison schedule for the general fund; Schedule of Revenues, Expenditures and Changes in Fund Balance for the Sales Tax Capital Improvement Fund; Schedule of Revenues, Expenditures and Changes in Fund Balance for the Conservation Trust Fund; and the Schedule of Revenues, Expenditures and Changes in Fund Balance for the Street Capital Improvement Fund. These statements and schedules demonstrate compliance with the Town's adopted and final revised budget. The required supplementary information is on pages 37 to 41 of the Financial Statements included with this report.

***Supplementary Information***

As discussed, the Town reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds can be found in the supplementary section of the Financial Statements included with this report beginning on page 42 and ending on page 48.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources at fiscal year-end exceeded liabilities and deferred inflows of resources by \$16,343,328. The following table on the next page provides a summary of the Town's net position.

**Statement of Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Assets:</b>						
Current and other assets	\$ 3,160,323	\$ 2,246,521	\$ 2,777,776	\$ 2,283,434	\$ 5,938,099	\$ 4,529,955
Capital assets	<u>3,192,071</u>	<u>3,262,534</u>	<u>11,739,207</u>	<u>12,038,551</u>	<u>14,931,278</u>	<u>15,301,085</u>
Total assets	<u>6,352,394</u>	<u>5,509,055</u>	<u>14,516,983</u>	<u>14,321,985</u>	<u>20,869,377</u>	<u>19,831,040</u>
<b>Deferred Outflows of Resources</b>						
Related to Pensions	<u>70,002</u>	<u>90,194</u>	<u>-</u>	<u>-</u>	<u>70,002</u>	<u>90,194</u>
Total Deferred Outflows of Resources	<u>70,002</u>	<u>90,194</u>	<u>-</u>	<u>-</u>	<u>70,002</u>	<u>90,194</u>
<b>Liabilities:</b>						
Other Liabilities	395,648	382,534	268,111	223,695	663,759	606,229
Long-term Liabilities	<u>17,967</u>	<u>21,814</u>	<u>3,694,766</u>	<u>3,899,376</u>	<u>3,712,733</u>	<u>3,921,190</u>
Total Liabilities	<u>413,615</u>	<u>404,348</u>	<u>3,962,877</u>	<u>4,123,071</u>	<u>4,376,492</u>	<u>4,527,419</u>
<b>Deferred inflows of resources</b>						
Property taxes	146,513	149,627	-	-	146,513	149,627
Deferred inflows of resources	-	-	-	-	-	-
Related to pensions deferred inflows	<u>80,902</u>	<u>60,188</u>	<u>-</u>	<u>-</u>	<u>80,902</u>	<u>60,188</u>
Total deferred inflows of resources	<u>227,415</u>	<u>209,815</u>	<u>-</u>	<u>-</u>	<u>227,415</u>	<u>209,815</u>
<b>Net Position:</b>						
Net investments						
in capital assets	3,116,199	3,262,534	8,052,297	8,139,175	11,168,496	11,401,709
Restricted	113,371	113,371	648,538	837,386	761,909	950,757
Unrestricted	<u>2,551,796</u>	<u>1,609,181</u>	<u>1,861,127</u>	<u>1,222,353</u>	<u>4,412,923</u>	<u>2,831,534</u>
Total net position	<u>\$ 5,781,366</u>	<u>\$ 4,985,086</u>	<u>\$10,561,962</u>	<u>\$10,198,914</u>	<u>\$16,343,328</u>	<u>\$15,184,000</u>

By far the largest portion of the Town's net position, 68.33%, reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that are still outstanding. The Town of Paonia uses these capital assets to provide services to Residents; consequently, these assets are not available for future spending. Although the Town of Paonia's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources (service fees, utility rate increases, etc.), since the capital assets themselves cannot be used to pay the debt.

At the end of the current fiscal year, the Town of Paonia is able to report positive balances in the government as a whole, as well as for both its governmental activities and business-type activities. Activities showed positive growth. Net position increased \$796,280 for governmental activities, and net position increased \$363,048 for business-type activities. The Town's overall financial position improved during fiscal year 2022.

The following table provides a summary of the Town's changes in net position:

	<b>Summary of Changes in Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues:						
Program:						
Charges for services	\$ 193,574	\$ 126,749	\$ 1,880,970	\$ 1,828,537	\$ 2,074,544	\$ 1,955,286
Operating Grants	49,866	98,194	184,616	-	234,482	98,194
Capital Grants	-	87,305	-	9,896	-	97,201
General:						
Taxes	1,783,051	1,387,775	-	-	1,783,051	1,387,775
Other	120,769	8,917	27,479	11,881	148,248	20,798
<b>Total revenues</b>	<b>2,147,260</b>	<b>1,708,940</b>	<b>2,093,065</b>	<b>1,850,314</b>	<b>4,240,325</b>	<b>3,559,254</b>
Program Expenses:						
General Government	343,138	327,256	-	-	343,138	327,256
Public Safety	507,341	416,414	-	-	507,341	416,414
Public Works	300,175	351,701	-	-	300,175	351,701
Culture and Recreation	164,329	150,466	-	-	164,329	150,466
Water Operations	-	-	1,077,484	865,875	1,077,484	865,875
Sewer Operations	-	-	409,659	480,668	409,659	480,668
Trash	-	-	278,871	260,704	278,871	260,704
<b>Total Expenses</b>	<b>1,314,983</b>	<b>1,245,837</b>	<b>1,766,014</b>	<b>1,607,247</b>	<b>3,080,997</b>	<b>2,853,084</b>
Excess	832,277	463,103	327,051	243,067	1,159,328	706,170
Transfers	(35,997)	62,150	35,997	(62,150)	-	-
<b>Change in Net Position</b>	<b>796,280</b>	<b>525,253</b>	<b>363,048</b>	<b>180,917</b>	<b>1,159,328</b>	<b>706,170</b>
Beginning Net Position	4,985,086	4,459,833	10,198,914	10,013,798	15,184,000	14,473,631
<b>Ending Net Position</b>	<b>5,781,366</b>	<b>4,985,086</b>	<b>10,561,962</b>	<b>10,194,715</b>	<b>16,343,328</b>	<b>15,179,801</b>

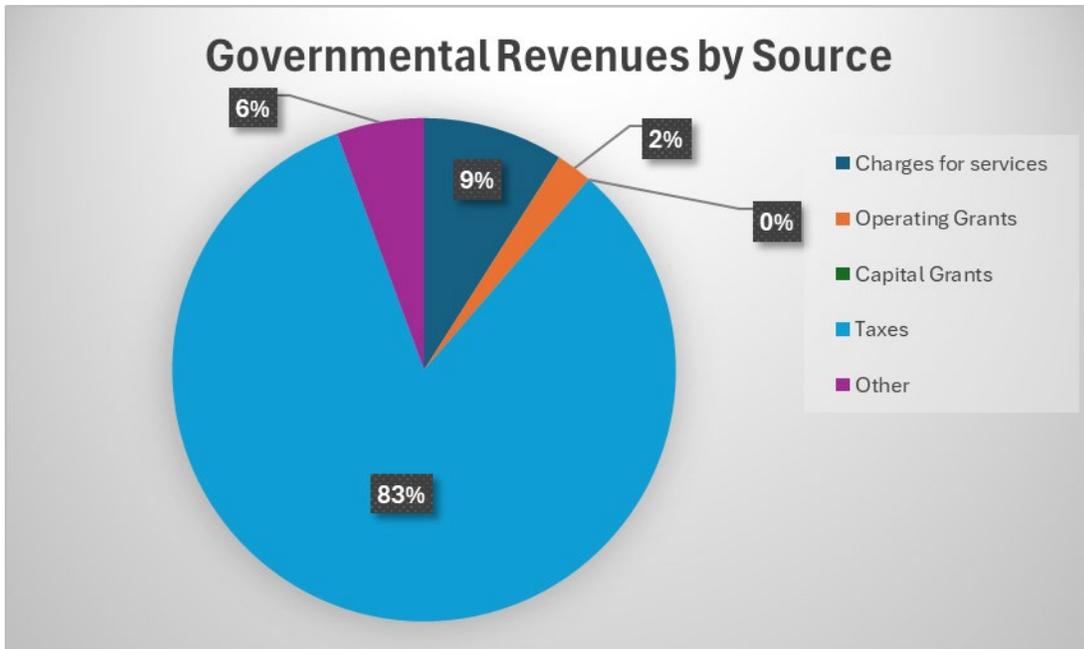
**GOVERNMENTAL REVENUES**

The Town is heavily reliant on ad valorem (property), sales, use, and occupational taxes to support governmental operations. Town sales and use taxes account for 83.04% of the revenues for governmental activities. This is an increase of 1.83% over fiscal year 2021 and may be the result of COVID-19 pandemic where certain types of retailers saw an increase in sales. In fiscal year 2022, the Town saw an increase in tourism over 2021 with more music and entertainment shows being hosted in its Town Park, and with the effects of the pandemic decreasing over the previous year.

Sales and use taxes increased \$395,276 from the taxes collected in 2021. The Town also kept the sales and use tax rate at 3% as it has remained since 2018. Due in part to the Town's healthy financial position, it has earned \$25,604 in interest earnings to support governmental activities, and \$11,264 in interest earnings to support business-type activities related to the Federal Reserve raising interest rates in 2022. The total interest earnings between governmental activities and business-type activities of \$36,868 is an increase of \$27,499 from the interest earnings of fiscal year 2021 which was \$9,369. Program revenues

covered 14.72% of governmental operating expenses in 2022. This means that the government's taxpayers and the Town's other general revenues funded the balance of the governmental activities. As a result, the general economy and local businesses have a major impact on the Town's revenue streams. Program revenues for fiscal year 2022 covered 4.55% more of governmental operating expenses than that of fiscal year 2021.

The graph below shows governmental revenues by source:



**GOVERNMENTAL FUNCTIONAL EXPENSES**

Public safety comprises 16.4% of the Town's total expenses and 38.6% of the total governmental expenses. Culture (Parks) and Recreation make up 5.3% of the Town's total expenses and 12.5% of the total governmental expenses. General Government make up 11.1% of the Town's total expenses and 26.2% of the total governmental expenses. Public Works make up 9.3% of the Town's total expenses and 22.1% of the total governmental expenses. While most expense categories were similar to fiscal year 2021, Public Safety and Public Works both changed significantly.

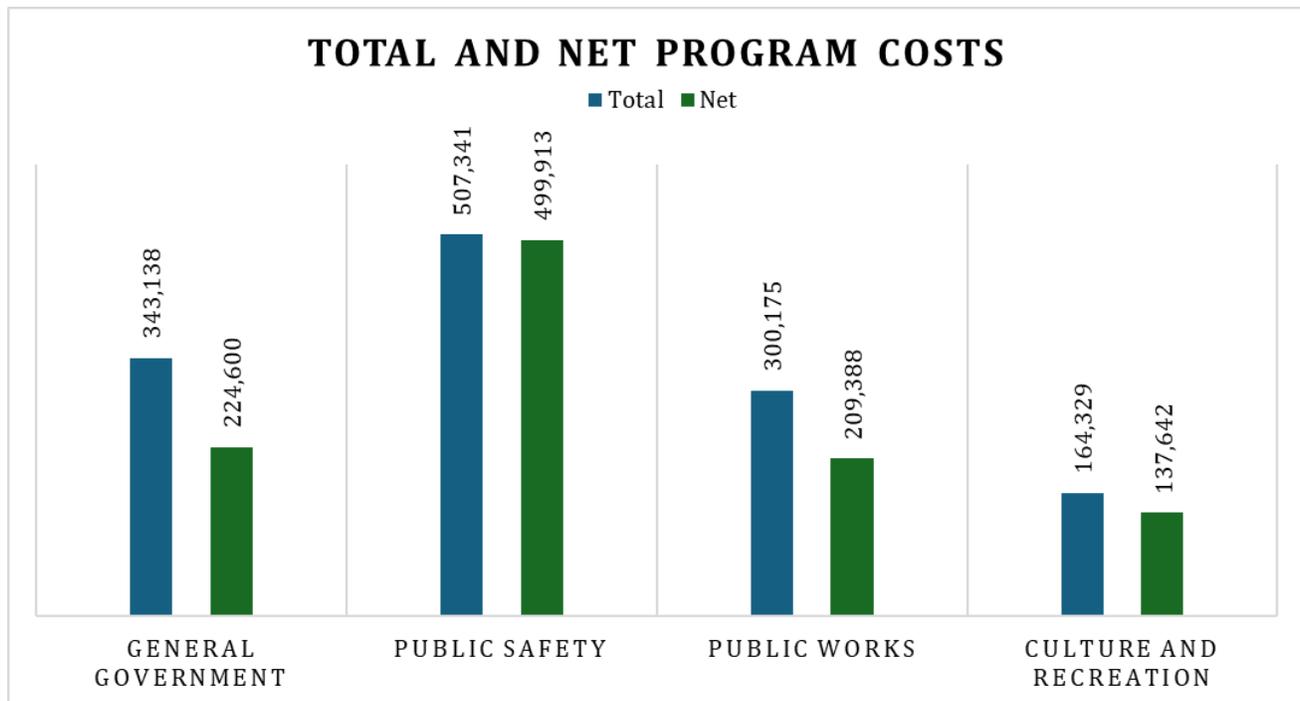
The overall increase in expenses was 5.55% over the prior fiscal year. In 2022, the efforts to return to regular operations along with staffing changes, including payouts for terminations, are likely causes of the nominal increase.

The following table presents the cost of each of the Town's programs, including the net costs (e.g. total cost less revenues generated by the activities). The net costs show the financial burden that was placed on the Town's taxpayers by each of these functions.

**Governmental Activities**

	<u>Total Cost of Services</u>	<u>Percentage of Total</u>	<u>Net Cost of Services</u>	<u>Percentage of Total</u>
General Government	\$ 343,138	26.1%	\$ 224,600	21.0%
Public Safety	507,341	38.6%	499,913	46.7%
Public Works	300,175	22.8%	209,388	19.5%
Culture and Recreation	<u>164,329</u>	<u>12.5%</u>	<u>137,642</u>	<u>12.8%</u>
<b>Total</b>	<b><u>\$ 1,314,983</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 1,071,543</u></b>	<b><u>100.0%</u></b>

The General Government function has the best cost recovery at 35% as shown in the graph below. Permit fees and application fees are set to recover most of the expenses associated with community development and licensing services. The Town received operating grants to help reduce the cost of providing services for both Public Works and Public Safety in fiscal year 2022. While these program revenues can vary in any given year, the corresponding acquisition of assets does not appear as a program expense. For that reason, program revenues can fluctuate dramatically from year to year depending on the amount of capital grants and contributions received.

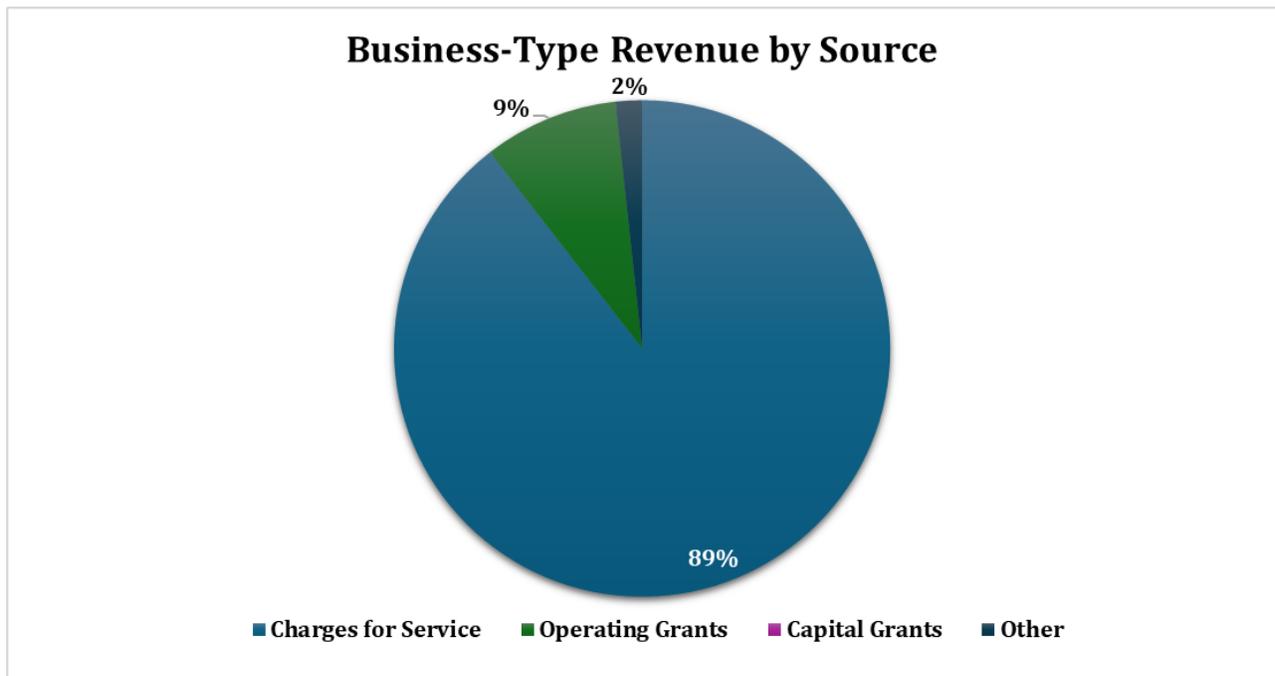


**BUSINESS – TYPE ACTIVITIES**

For the year ending December 31, 2022, the Town reported all enterprise funds as major funds. Business-type activities increased the Town's net position by \$363,048. Key elements of business-type (enterprise) activities net position are as follows:

The operating revenues for all the enterprise funds were 13.1% greater than fiscal year 2021, due to Resolution Number 2021-09 raising water rates, and operating expenses for all enterprise funds were 9.9% more than in fiscal year 2021. Within the total business-type activities of the Town, these activities reported an operating income of \$400,197 compared to an operating income of \$317,326 for the prior year. Non-operating expenses decreased by \$1,914 over fiscal year 2021. Capital contributions for 2022 were \$40,997. This is an increase of \$93,147 from 2021. Capital contributions include tap fees, developer contributions of capital assets, and capital grants.

The graph below shows that the business-type activities rely on fees to pay operating costs. This is stark in contrast to the governmental activities.

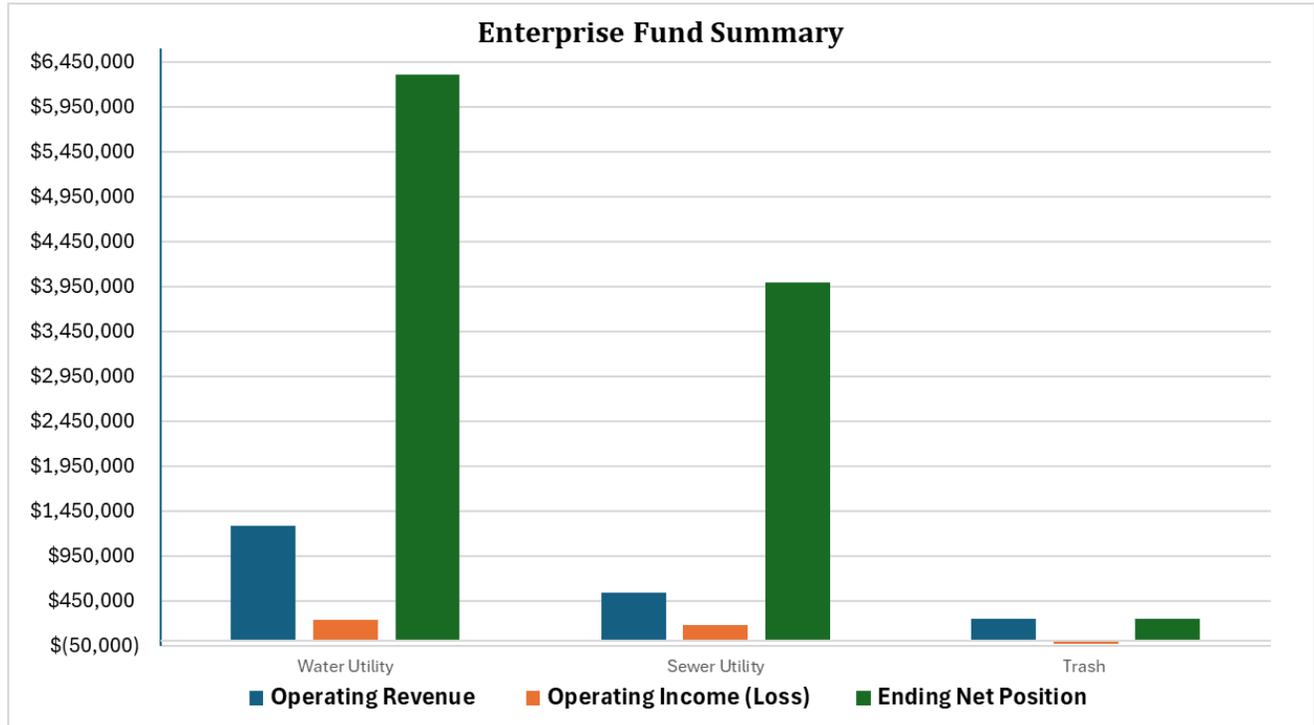


The water utility accounts for approximately 61.8% of operating revenues and 61.6% of operating expenses. This utility reported a net increase in net position of \$214,557. The water utility had an operating income of \$251,161 and no capital contributions.

For the sewer utility fund, operating expenses decreased 16% over the prior year. Operating revenues saw an increase of 2.2% over the prior year. Net operating income for 2022 was \$178,370 in comparison to \$96,750 in 2021.

Trash made up 12% of operating revenues for all enterprise funds compared to 16.4% of operating expenses. The fund experienced a loss of operating income for (\$29,334) and showed a worsened net position of \$248,604 from \$277,938 in 2021. This fund has had two successive years of a net position less than the beginning of the year.

The graph below shows the relative size of the funds that make up the Enterprise Funds (Business-Type Activities):



**Financial Analysis of the Town’s Funds**

**Governmental Funds**

As mentioned earlier, governmental funds are reported in the fund statements with a focus on short-term, inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. Governmental funds reported ending fund balances of \$2,471,248. Approximately, \$749,943 of the year-end total governmental fund balance is restricted, committed, or assigned fund balance.

The total ending fund balances of governmental funds show an increase of \$830,408 over the prior year. This increase is primarily the result of the sales and occupational tax in the General Fund.

***Major Governmental Funds***

***The General Fund:***

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$463,510 in fiscal year 2022. In fiscal year 2021, the fund balance also increased by \$417,214.

Total revenues for 2022 were \$1,658,490, an increase of \$213,017 or 14.7% over 2021. The Town's sale and use taxes both increased significantly over the prior year. The remaining revenue sources were comparable with the prior year.

Expenditures for 2022 were \$1,194,880, an increase of 15.3% over fiscal year 2021. This reflects a return to standard service levels from the pandemic and increased costs reflect the return to regular operations. There were also significant resignations from key staff with significant severance payouts and a payout of unused compensated absences.

General government expenditures increased 19.43% overall when compared to the previous year.

Total public safety actual expenditures saw an increase in expenditure over the previous year of 19.48%.

Public works expenditures increased 27.8% as compared to fiscal year 2021. Culture and Recreation expenditures increased 1.2% over 2021.

The general fund transferred \$100 to non-major funds, and the Sales Tax Capital Improvement Fund transferred \$35,997 to the water and sewer funds. \$7,856 was transferred from the Sales Tax Capital Improvement Fund to the water fund, \$20,284 was transferred from the Sales Tax Capital Improvement Fund to the sewer fund, and \$7,857 was transferred from the Sales Tax Capital Improvement Fund to the Trash (Sanitation) Fund. This amount varies based on available resources in any given year and Town staff's capacity to administer additional projects.

***The Proprietary Funds***

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

**Budgetary Highlights**

***The General Fund*** – Budget amendments were not completed in fiscal year 2022. The final fiscal year 2022 budget included \$1,815,479 in expected revenues, the actual revenues for fiscal year 2022 were \$1,658,490 for a negative variance of \$156,989. Franchise Taxes, Cigarette Taxes, Delinquent Taxes, Intergovernmental Revenue, Grant Revenue, and Fines and Forfeitures all realized less revenue than anticipated.

Investment earnings increased significantly from original estimates because of higher than anticipated interest rates and the increase in revenues resulting in more funds to invest.

The final general fund budget for expenditures had a favorable variance of \$718,849, again due to an exaggerated expenditure budget within all general fund functions. The general fund experienced a favorable excess of revenues over expenditures of \$436,610.

**Capital Assets and Debt Administration**

**Capital Assets**

The Town's net investments in capital assets, for governmental and business-type activities as of December 31, 2022, were \$3,116,199 (governmental activities) and \$8,052,297 (business-type activities).

The total decrease in the net investment was 4.48% for governmental activities and a 1.07% decrease for business-type activities.

The following table provides a summary of capital asset activity:

	<b>Capital Assets</b>				<b>Total</b>	
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>2022</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>		
Non-Depreciable Assets:						
Land and Improvements	\$ 246,481	\$ 246,481	\$ -	\$ -	\$ 246,481	\$ 246,481
Land and Water Rights	-	-	834,157	834,157	834,157	834,157
<b>Total Non-Depreciable</b>	<b>246,481</b>	<b>246,481</b>	<b>834,157</b>	<b>834,157</b>	<b>1,080,638</b>	<b>1,080,638</b>
Depreciable Assets:						
Buildings	703,646	703,646	12,175,799	12,156,466	12,879,445	13,583,091
Improvements (not buildings)	547,789	547,789	-	-	547,789	547,789
Infrastructure	3,152,517	3,126,216	5,113,083	4,971,340	8,265,600	8,097,556
Equipment	1,042,874	976,842	535,816	587,543	1,578,690	1,564,385
<b>Total Depreciable Assets</b>	<b>5,446,826</b>	<b>5,354,493</b>	<b>17,824,698</b>	<b>17,715,349</b>	<b>23,271,524</b>	<b>23,069,842</b>
Less accumulated depreciation	<u>(2,501,236)</u>	<u>(2,338,440)</u>	<u>(6,911,792)</u>	<u>(6,510,955)</u>	<u>(9,413,028)</u>	<u>(8,849,395)</u>
Percentage Depreciated	<u>40%</u>	<u>42%</u>	<u>47%</u>	<u>50%</u>	<u>46%</u>	<u>48%</u>
<b>Total Capital Assets, Net</b>	<b><u>3,192,071</u></b>	<b><u>3,262,534</u></b>	<b><u>11,747,063</u></b>	<b><u>12,038,551</u></b>	<b><u>14,939,134</u></b>	<b><u>15,301,085</u></b>

On December 31, 2022, the depreciable capital assets for governmental activities were 40% depreciated. This is comparable to the December 21, 2021, percentage. This comparison indicates that the Town is replacing its assets at a comparable rate as they are depreciating, which is a positive indicator.

With the Town's business-type activities, 47% of the depreciable capital assets were depreciated at December 31, 2022 comparable to 50% at December 31, 2021.

Overall, the Town's capital assets are depreciated at 46%, which demonstrates the Town's continuing investment in capital.

**Long-term Debt**

At the end of fiscal year 2022, the Town only had long-term debt transactions for the governmental activities related to compensated absences. Compensated absences made up \$21,814 of the Town's total long-term debt. Compensated absences are listed as long-term debt since they are recorded only when

payment is due, and they were accrued in 2022, but will be paid out in a subsequent year (usually up to the discretion of the employee that accrued them).

Business activities and the enterprise funds encompass the debt for the Town of Paonia and includes the Sewer Plant, the One-Million Gallon Water Plant (Clock Plant), the Two-Million Gallon Water Plant (Lamborn Plant), and the improvements to the water distribution system.

The following table provides a summary of long-term debt activity.

	Outstanding Borrowings						% Change
	Governmental Activities		Business-Type Activities		Total		
	2022	2021	2022	2021	2022	2021	
CWRPDA Loan	\$ -	\$ -	\$ 151,732	\$ 163,405	\$ 151,732	\$ 163,405	7%
WPA Loan	-	-	2,053,168	2,091,716	2,053,168	2,091,716	2%
2020 Revenue Refunding Bonds	-	-	2,167,100	2,204,350	2,167,100	2,204,350	1%
Line of Credit	-	-	-	-	-	-	0%
Compensated Absences	17,967	21,814	-	-	17,967	21,814	17%
<b>Total</b>	<u>17,967</u>	<u>21,814</u>	<u>4,372,000</u>	<u>4,459,471</u>	<u>4,389,967</u>	<u>4,481,285</u>	

See note 6 for additional information about the Town's long-term debt.

**Economic Conditions and Next Year's Budget**

Financially, 2022 showed increases over previous years. Sales and Use, and occupational taxes, which are economic indicators for tourism and spending, increased by 24% over fiscal year 2021.

The Town is a certified Creative District for the state of Colorado and has developed into a regional tourism destination. The Town hosts music and festivals in its largest park that brings many people from around the state to visit. The Town benefits from optimal growing conditions for organic farms and is recognized as a viticultural destination by the state. Maintaining these certifications and designations is paramount to continuing to grow the Town's economy. Industry in Town changed significantly during the early 2000's due to coal mine closures, and the Town successfully utilized the North Fork Valley to reinvent its industry for organic farming and winemaking.

A serious issue facing residents in Paonia is the lack of affordable housing options, which is exacerbated by a lack of year-round jobs due to the seasonally dependent industries of the Town. The Town also enacted a water moratorium in 2020 with certain criteria that must be met in order lift it. The moratorium has limited growth and is a contributing factor for the lack of affordable housing. The 2023 budget was prepared with these conditions in mind, while continuing to fund services for residents and visitors alike.

**Contacting the Town's Financial Management**

This financial report is designed to provide a general overview of the Town's finances and fiscal health, compliance with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability and transparency. If you have questions about this report or would like to request additional information, please contact the Town Administrator and Treasurer, 214 Grand Avenue, Paonia, CO 81428.



## **Basic Financial Statements**

**Town of Paonia, Colorado**  
**Statement of Net Position**  
**December 31, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,091,927	\$ 1,832,941	\$ 3,924,868
Cash and cash equivalents - restricted	599,017	648,538	1,247,555
Property Taxes Receivable	146,513	-	146,513
Accounts Receivable, net	129,370	166,015	295,385
Due from other governments	46,582	-	46,582
Inventories	-	130,282	130,282
FPPA Net Pension Liability	146,914	-	146,914
Capital Assets, <i>not being depreciated</i>	246,481	834,157	1,080,638
Capital Assets, <i>net of accumulated depreciation</i>	<u>2,945,590</u>	<u>10,912,906</u>	<u>13,858,496</u>
 Total Assets	 <u>6,352,394</u>	 <u>14,524,839</u>	 <u>20,877,233</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Due to Pensions	<u>70,002</u>	<u>-</u>	<u>70,002</u>
<b>Liabilities</b>			
Accounts Payable	59,702	30,675	90,377
Accrued Payroll Liabilities	15,946	23,349	39,295
Accrued interest payable	-	29,471	29,471
Unearned Revenue	320,000	184,616	504,616
Noncurrent Liabilities			
Due Within One Year	1,797	203,211	205,008
Due in More Than One Year	<u>16,170</u>	<u>3,491,555</u>	<u>3,507,725</u>
 Total Liabilities	 <u>413,615</u>	 <u>3,962,877</u>	 <u>4,376,492</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Due to Pensions	80,902	-	80,902
Unavailable Revenue - Property Taxes	<u>146,513</u>	<u>-</u>	<u>146,513</u>
 Total Deferred inflows of resources	 <u>227,415</u>	 <u>-</u>	 <u>227,415</u>
<b>Net Position</b>			
Net Investment in Capital Assets	3,116,199	8,052,297	11,168,496
Restricted for:			
Emergencies (TABOR)	53,179	-	53,179
Debt Service	-	648,538	648,538
Streets Improvements	60,192	-	60,192
Unrestricted, unreserved	<u>2,551,796</u>	<u>1,861,127</u>	<u>4,412,923</u>
 Total Net Position	 <u>\$ 5,781,366</u>	 <u>\$ 10,561,962</u>	 <u>\$ 16,343,328</u>

**Town of Paonia, Colorado**  
**Statement of Activities**  
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 343,138	\$ 118,538	\$ -	\$ -	\$ (224,600)	\$ -	\$ (224,600)
Public Safety	507,341	5,689	1,739	-	(499,913)	-	(499,913)
Public Works	300,175	42,660	48,127	-	(209,388)	-	(209,388)
Culture and Recreation	164,329	26,687	-	-	(137,642)	-	(137,642)
Total Governmental Activities	<u>1,314,983</u>	<u>193,574</u>	<u>49,866</u>	<u>-</u>	<u>(1,071,543)</u>	<u>-</u>	<u>(1,071,543)</u>
<b>Business-Type Activities</b>							
Water Operations	1,077,484	1,088,354	184,616	-	-	195,486	195,486
Sewer Operations	409,659	543,079	-	-	-	133,420	133,420
Trash Water	278,871	249,537	-	-	-	(29,334)	(29,334)
Total Business-Type Activities	<u>1,766,014</u>	<u>1,880,970</u>	<u>184,616</u>	<u>-</u>	<u>-</u>	<u>299,572</u>	<u>299,572</u>
Total Primary Government	<u>\$ 3,080,997</u>	<u>\$ 2,074,544</u>	<u>\$ 234,482</u>	<u>\$ -</u>	<u>(1,071,543)</u>	<u>299,572</u>	<u>(771,971)</u>
<b>General Revenues</b>							
Taxes							
Property					182,502	-	182,502
Specific ownership					24,170	-	24,170
General sales					1,366,270	-	1,366,270
Franchise					58,448	-	58,448
Occupancy					149,575	-	149,575
Other					2,086	-	2,086
Investment Income					25,604	11,264	36,868
Capital Contributions - Tap Fees					-	5,000	5,000
Proceeds from the Sale of Assets					19,851	11,215	31,066
Misc.					75,314	-	75,314
Transfers					(35,997)	35,997	-
Total General Revenues and Transfers					<u>1,867,823</u>	<u>63,476</u>	<u>1,931,299</u>
Change in Net Position					<u>796,280</u>	<u>363,048</u>	<u>1,159,328</u>
<b>Net Position, Beginning of year</b>					<u>4,985,086</u>	<u>10,198,914</u>	<u>15,184,000</u>
<b>Net Position, End of year</b>					<u>\$ 5,781,366</u>	<u>\$ 10,561,962</u>	<u>\$ 16,343,328</u>

**Town of Paonia, Colorado**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2022

	Major Funds			Total
	General Fund	Sales Tax Capital Improvement Fund	Non-Major Funds	
<b>Assets</b>				
Cash and cash equivalents				
Unrestricted	\$ 1,103,514	\$ 605,868	\$ 382,545	\$ 2,091,927
Restricted	599,017	-	-	599,017
Accounts receivable	126,464	-	-	126,464
Taxes receivable	-	-	2,906	2,906
Property taxes receivable	146,513	-	-	146,513
Due from other governments	-	46,582	-	46,582
	<u>1,975,508</u>	<u>652,450</u>	<u>385,451</u>	<u>3,013,409</u>
Total Assets	<u>\$ 1,975,508</u>	<u>\$ 652,450</u>	<u>\$ 385,451</u>	<u>\$ 3,013,409</u>
<b>Liabilities</b>				
Accounts Payable	\$ 48,797	\$ 10,905	\$ -	\$ 59,702
Accrued payroll	15,946	-	-	15,946
Unearned Revenue	320,000	-	-	320,000
	<u>384,743</u>	<u>10,905</u>	<u>-</u>	<u>395,648</u>
Total Liabilities	<u>384,743</u>	<u>10,905</u>	<u>-</u>	<u>395,648</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	146,513	-	-	146,513
	<u>146,513</u>	<u>-</u>	<u>-</u>	<u>146,513</u>
<b>Fund Balance</b>				
Restricted for:				
Emergencies (TABOR)	53,179	-	-	53,179
Airport Capital Improvements	-	60,192	-	60,192
Committed	-	-	-	-
Bridge reserve	228,717	-	-	228,717
Capital Acquisition	-	407,855	-	407,855
Unassigned	1,162,356	173,498	385,451	1,721,305
	<u>1,444,252</u>	<u>641,545</u>	<u>385,451</u>	<u>2,471,248</u>
Total Fund Balance	<u>1,444,252</u>	<u>641,545</u>	<u>385,451</u>	<u>2,471,248</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,975,508</u>	<u>\$ 652,450</u>	<u>\$ 385,451</u>	<u>\$ 3,013,409</u>

**Town of Paonia, Colorado**  
Reconciliation of Balance Sheet of the Governmental Funds  
to the Statement of Net Position  
December 31, 2022

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Total Fund Balance of Governmental Funds	\$ 2,471,248
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	3,192,071
Pension assets and deferred outflows are not current, therefore, are not reported in governmental funds:	
Net Pension Asset (Liability)	146,914
Deferred Outflows, Pensions	70,002
Deferred Inflows, Pensions	(80,902)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Accrued compensated absences	<u>(17,967)</u>
Total Net Position of Governmental Activities	<u>\$ 5,781,366</u>

**Town of Paonia, Colorado**  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Governmental Funds  
 For the Year Ended December 31, 2022

	Major Funds			Total
	General Fund	Sales Tax Capital Improvement Fund	Non-Major Funds	
<b>Revenues</b>				
Taxes	\$ 1,321,919	\$ 302,297	\$ 158,835	\$ 1,783,051
Licenses and Permits	50,335	-	39,376	89,711
Intergovernmental	166,512	-	-	166,512
Charges for Services	-	-	-	-
Investment Income	25,591	-	-	25,591
Fines and Forfeitures	6,618	-	-	6,618
Miscellaneous	87,515	7,650	13	95,178
Total Revenues	<u>1,658,490</u>	<u>309,947</u>	<u>198,224</u>	<u>2,166,661</u>
<b>Expenditures</b>				
Current				
General Government	316,743	-	-	316,743
Public Safety	538,494	-	-	538,494
Public Works	201,872	-	-	201,872
Culture and Recreation	137,771	-	4,924	142,695
Capital Outlay	-	100,452	-	100,452
Total Expenditures	<u>1,194,880</u>	<u>100,452</u>	<u>4,924</u>	<u>1,300,256</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>463,610</u>	<u>209,495</u>	<u>193,300</u>	<u>866,405</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(100)	(35,997)	100	(35,997)
Other Financing Sources (Uses)	<u>(100)</u>	<u>(35,997)</u>	<u>100</u>	<u>(35,997)</u>
<b>Net Change in Fund Balance</b>	463,510	173,498	193,400	830,408
<b>Fund Balance, Beginning of year</b>	<u>980,742</u>	<u>468,047</u>	<u>192,051</u>	<u>1,640,840</u>
<b>Fund Balance, End of year</b>	<u>\$ 1,444,252</u>	<u>\$ 641,545</u>	<u>\$ 385,451</u>	<u>\$ 2,471,248</u>

**Town of Paonia, Colorado**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balance of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2022

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Net Change in Fund Balance of Governmental Funds	\$	830,408
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital outlays		129,644
Depreciation expense		(200,107)
<p>Revenues received after the period of availability are recognized as deferred revenue in the funds statements, but as revenues in the Statement of Activities</p>		
		(19,401)
<p>FPPA Pension liabilities reported in governmental funds as expenditures when contributions are made. However, for governmental activities those costs are reflected as liabilities when incurred.</p>		
Net Pension Asset (Liability)		92,795
Deferred Outflows, Pensions		(20,192)
Deferred Inflows, Pensions		(20,714)
		(20,714)
Change in Net Position of Governmental Activities	\$	792,433
		(3,847)

**Town of Paonia, Colorado**  
 Statement of Net Position  
 Proprietary Fund  
 December 31, 2022

	Water	Sewer	Trash	Total
<b>Current Assets</b>				
Cash and Investments	\$ 1,024,820	\$ 690,560	\$ 117,561	\$ 1,832,941
Restricted Cash and investments	-	648,538	-	648,538
Accounts Receivable	92,863	49,078	24,074	166,015
Inventory	117,912	12,370	-	130,282
Total Current Assets	1,235,595	1,400,546	141,635	2,777,776
<b>Noncurrent Assets</b>				
Capital Assets, <i>Not being depreciated</i>	269,777	564,380	-	834,157
Capital Assets, <i>Net of accumulated depreciation</i>	7,137,864	3,650,106	124,936	10,912,906
Total Noncurrent Assets	7,407,641	4,214,486	124,936	11,747,063
Total Assets	8,643,236	5,615,032	266,571	14,524,839
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	18,543	7,062	5,070	30,675
Accrued interest payable	17,846	11,625	-	29,471
Accrued Liabilities	13,061	5,248	5,040	23,349
Unearned grant revenues	184,616	-	-	184,616
Current Portion of Noncurrent Liabilities	153,211	50,000	-	203,211
Total Current Liabilities	387,277	73,935	10,110	471,322
<b>Noncurrent Liabilities</b>				
Notes and bonds payable	1,949,225	1,542,330	-	3,491,555
Total Noncurrent Liabilities	1,949,225	1,542,330	-	3,491,555
Total Liabilities	2,336,502	1,616,265	10,110	3,962,877
<b>Net Position</b>				
Net Investment in Capital Assets	5,305,205	2,622,156	124,936	8,052,297
Restricted for Debt Service	-	108,763	-	108,763
Restricted for Maintenance	-	539,775	-	539,775
Unrestricted	1,001,529	728,073	131,525	1,861,127
Total Net Position	\$ 6,306,734	\$ 3,998,767	\$ 256,461	\$ 10,561,962

**Town of Paonia, Colorado**  
 Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Fund  
 For the Year Ended December 31, 2022

	Water	Sewer	Trash	Total
<b>Operating Revenues</b>				
Charges for Services	\$ 1,088,354	\$ 543,079	\$ 249,537	\$ 1,880,970
Grant Revenue	184,616	-	-	184,616
Miscellaneous	11,215	-	-	11,215
	<u>1,284,185</u>	<u>543,079</u>	<u>249,537</u>	<u>2,076,801</u>
<b>Operating Expenses</b>				
Personnel expenses	213,565	104,737	172,230	490,532
Contractual service	71,179	-	37,911	109,090
Professional fees	75,828	19,449	6,891	102,168
Utilities	29,323	41,917	2,675	73,915
Repairs and maintenance	166,854	30,000	370	197,224
Other supplies and expense	93,813	44,452	33,846	172,111
Insurance claims and expense	26,405	9,857	6,741	43,003
Depreciation	356,057	114,297	18,207	488,561
	<u>1,033,024</u>	<u>364,709</u>	<u>278,871</u>	<u>1,676,604</u>
Net Operating Income	<u>251,161</u>	<u>178,370</u>	<u>(29,334)</u>	<u>400,197</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	-	11,264	-	11,264
Interest Expense	(44,460)	(44,950)	-	(89,410)
Net Income (Loss) Before Contributed Capital	<u>206,701</u>	<u>144,684</u>	<u>(29,334)</u>	<u>322,051</u>
<b>Contributed Capital and Transfers</b>				
System Development Fees	-	5,000	-	5,000
Transfers In	7,856	20,284	7,857	35,997
Total Capital Contributions and Transfers	<u>7,856</u>	<u>25,284</u>	<u>7,857</u>	<u>40,997</u>
Change in Net Position	<u>214,557</u>	<u>169,968</u>	<u>(21,477)</u>	<u>363,048</u>
<b>Net Position, Beginning of year</b>	<u>6,092,177</u>	<u>3,828,799</u>	<u>277,938</u>	<u>10,198,914</u>
<b>Net Position, End of year</b>	<u>\$ 6,306,734</u>	<u>\$ 3,998,767</u>	<u>\$ 256,461</u>	<u>\$ 10,561,962</u>

**Town of Paonia, Colorado**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended December 31, 2022**

	Water	Sewer	Trash	Total
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 1,272,970	\$ 543,079	\$ 249,537	\$ 2,065,586
Cash Received from Others	1,574	-	(2,323)	(749)
Cash Paid to Suppliers	(496,600)	(167,755)	(126,966)	(791,321)
Cash Paid to Employees	(149,790)	(79,982)	(127,401)	(357,173)
	<u>628,154</u>	<u>295,342</u>	<u>(7,153)</u>	<u>916,343</u>
Net Cash Provided by Operating Activities				
<b>Cash Flows From NonCapital Financing Activities</b>				
Transfer to Other Funds	7,856	20,284	7,857	35,997
	<u>7,856</u>	<u>20,284</u>	<u>7,857</u>	<u>35,997</u>
Net Cash Provided by Noncapital Financing Activities				
<b>Cash Flows From Capital and Related Financing Activities</b>				
System Development Fees	-	5,000	-	5,000
Acquisition and Construction of Capital Assets	(27,189)	(162,027)	(7,857)	(197,073)
Debt Principal Payments	(152,685)	(51,925)	-	(204,610)
Debt Interest Payments	(44,460)	(44,950)	-	(89,410)
	<u>(224,334)</u>	<u>(253,902)</u>	<u>(7,857)</u>	<u>(486,093)</u>
Net Cash Used by Capital and Related Financing Activities				
<b>Cash Flows From Investing Activities</b>				
Interest received	-	11,264	-	11,264
	<u>-</u>	<u>11,264</u>	<u>-</u>	<u>11,264</u>
Net Cash Used by Capital and Related Financing Activities				
<b>Net Change in Cash and Cash Equivalents</b>	411,676	72,988	(7,153)	477,511
<b>Cash and Cash Equivalents, <i>Beginning of year</i></b>	<u>613,144</u>	<u>1,266,110</u>	<u>124,714</u>	<u>2,003,968</u>
<b>Cash and Cash Equivalents, <i>End of year</i></b>	<u>\$ 1,024,820</u>	<u>\$ 1,339,098</u>	<u>\$ 117,561</u>	<u>\$ 2,481,479</u>
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:</b>				
Net Operating Income	\$ 251,161	\$ 178,370	\$ (29,334)	\$ 400,197
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	356,057	114,297	18,207	488,561
Changes in Assets and Liabilities Related to Operations				
Accounts Receivable	(9,641)	(4,867)	(2,323)	(16,831)
Accounts Payable	18,029	2,669	1,257	21,955
Accrued Expenses	12,548	4,873	5,040	22,461
	<u>628,154</u>	<u>295,342</u>	<u>(7,153)</u>	<u>916,343</u>
Net Cash Provided by Operating Activities				

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies**

The Town of Paonia (the Town) is a statutory municipality with a Major Board of Trustees form of government with six trustees and one separately elected mayor serving as elected Town Board Trustees (The Town Board) members. The Town administrator is a hired contact position of the Town.

The Town's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

**Reporting Entity**

In accordance with governmental accounting standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Government-wide and Fund Financial Statements** (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Fund Financial Statements**

Following the government-wide financial statements are separate financial statements for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

**Fund Accounting**

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town has all three categories of funds: governmental, proprietary, and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund) are accounted for through governmental funds. The measurement focus is on determination of and changes in financial position, rather than on net income.

The following are the Town's governmental major funds:

The General Fund - used to account for all financial resources except those required to be accounted for in another fund and is the general operating fund of the Town.

The Sales Tax Capital Improvement Fund - accounts for the Town's additional sales tax that is to be used for capital improvements.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Governmental Funds** (Continued)

The following funds are considered nonmajor governmental funds:

The Conservation Trust Fund - accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investments.

The Street Capital Improvement Fund - accounts for funds committed by the Board of Trustees to be used for street construction from Highway Users tax and impact fees.

The Sidewalk Fund - accounts for the Town's sidewalk fees that are to be used for sidewalk repairs and maintenance.

The Space to Create Fund - accounts for the Town's revenues that are to be used to fund a feasibility analysis of creative sector workforce space into Town.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

The Town reports the following major enterprise fund business-type activities.

Water, Sewer and Trash Funds - accounts for all operations of the Town's water, sewer, and trash services. They are primarily financed by user charges.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
*(Continued)*

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

**Cash and Investments**

The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes and Town policy authorize the Town to invest in obligations of the United States or any agency thereof, time deposit certificates, and repurchase agreements. The Pension Trust Funds are also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership (excluding any debt of the Town itself), and individual insurance policies.

**Receivables**

The Town uses the allowance method for recognizing the uncollectable delinquent accounts receivable. At December 31, 2022, no allowance has been established, as all amounts are considered collectible. Each October, any utility bills more than 60 days old are certified to the County Treasurer for collection with the property taxes to be collected the following year.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed, but uncollected, property taxes for calendar year 2022 have been recorded as a receivable and as deferred revenue. Property taxes are billed and collected by Delta County, Colorado and distributed to the municipalities and special districts within the county the month after collection.

**Inventories**

Water parts are valued at market values based on current pricing.

**Interfund Receivables and Payables**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental funds and transfers in (out) in the proprietary funds.

Transactions between the Town's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to the Town government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the process of aggregating data for the statement of net position and the statement of activities some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activity's column.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item qualifying for this category: the collective deferred outflows related to the Town's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows and Inflows of Resources** (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town’s net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost where historical records are available or estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset’s life is not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets (excluding land, water rights, construction in progress and capital assets held for other government) are depreciated using the straight-line method over the following estimated useful lives:

Water and Sewer Systems	15 - 40 years
Buildings and Improvements	25 - 40 years
Equipment and Vehicles	5 - 10 years
Infrastructure	15 - 40 years

**Compensated Absences**

Vacation, sick leave, and compensatory time are accrued as earned. Accumulated unpaid vacation, compensatory time, and vested sick leave amounts are recorded in the government-wide financial statements by fund. The Town’s personnel policy imposes limits on the maximum accrual of accumulated vacation time and sick leave. Upon termination, accrued unpaid vacation and compensatory time will be paid to the employee. Accrued sick leave has a cash value upon termination only if the employee has at least five years of full-time service with the Town at termination. Accrued compensated absences are liquidated by the fund that incurred the liability during the employee’s employment.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

A liability for vested, accrued leave time is reported in the governmental funds only if the amounts due at year end have matured.

**Pensions**

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Town’s defined benefit pension plan and additions to/deductions from the fiduciary net position of the Town’s defined benefit pension plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

When an expense is incurred for purposes for which restricted and unrestricted net position is available, the Town's policy is to apply restricted net position first.

**Fund Balance Classification**

The following fund balance classifications describe the relative strength of the spending constraints placed on a government's fund balance and purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes stipulated by external resource providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed fund balance - amounts constrained to specific purposes stipulated by a government itself, determined by formal action by the Board of Trustees to be reported as committed, amounts cannot be used for any other purpose unless changed by the Board of Trustees.

Assigned fund balance - amounts the Town intends to use for a specific purpose as expressed by management.

Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or ordinance. Each December the budget is adopted by resolution for the coming year. A fund balance commitment is indicated in the budget by the use of reserves. The budget document will also identify the budgeted use of any restricted funds planned in the budget.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

**Subsequent Events**

The Town has evaluated subsequent events through March 15, 2024, the date the financial statements were available to be issued.

**Note 2: Stewardship, Compliance and Accountability**

**Budgets and Budgetary Accounting**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 3: Cash Deposits and Investments**

The Town's investment policy conforms to the investment policy guidelines set forth by the State of Colorado. The Town's investment policy sets the primary objectives of investments activities to be safety, liquidity, and yield, in that order. The policy sets a conservative, "prudent person" approach to investment purchases and management of the overall portfolio. The Town's Volunteer Firefighters Pension Trust is managed by the Fire and Police Pension Association of Colorado in accordance with State statute.

At year end, the Town had the following deposits and investments as reported in the financial statements:

Petty Cash	\$	225
Cash held by County Trasurer		71,798
Bank deposits		2,846,060
Certificates of deposit		465,067
Colostrust		1,789,273
Total	\$	<u><u>5,172,423</u></u>

**Deposits**

Cash and investments are reflected in the statement of net position as follows:

Cash and Investments	\$	3,924,868
Restricted Cash and Investments		1,247,555
Total	\$	<u><u>5,172,423</u></u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible depositories. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2022, the Town had deposits of \$3,065,605. Depositor's insurance (FDIC) covers \$250,000 of this amount; the balance is covered by PDPA.

**Town of Paonia, Colorado**  
 Notes to Financial Statements  
 December 31, 2022

**Note 3: Cash Deposits and Investments (Continued)**

**Investments**

The Town's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The Town held no such investments at December 31, 2022.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States & certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Local Government Investment Pool - At December 31, 2022, the Town had \$1,789,274 (fair value) invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates similar to money market funds and each share is equal in value to \$1.00. COLOTRUST is rated AAAM by Standard and Poor's. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The Town had the following investments at December 31, 2022:

Investment Type	Rating	Total	Less than 1 year	1 to 5 years
Colorado Liquid Government				
Asset Trust (Colo Trust Plus)	No Rating	\$ 1,789,273	\$ -	\$ 1,789,273
Certificates of deposit	No Rating	465,067	-	465,067
U.S. Treasury Securities		<u>\$ 2,254,340</u>	<u>\$ -</u>	<u>\$ 2,254,340</u>

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 3: Cash Deposits and Investments (Continued)**

**Investments** (Continued)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk the Town requires that U.S. Agency Securities have the highest possible rating. Colorado statutes establish standards for local government investment pools and the Town requires the investment pool to maintain the highest possible rating.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. State statute limits investments in U.S. Agency Securities to a maximum five-year maturity. The Town seeks to minimize interest rate risk by:

- Structuring investments to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Structuring investments to have staggered maturities of less than five years.

**Note 4: Capital Assets**

Capital assets activity for the year ended December 31, 2022 is summarized below:

<b>Governmental Activities</b>	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital Assets Not Being Depreciated				
Land and Improvements	\$ 246,481	\$ -	\$ -	\$ 246,481
Total Capital Assets Not Being Depreciated	<u>246,481</u>	<u>-</u>	<u>-</u>	<u>246,481</u>
Capital Assets Being Depreciated				
Buildings	703,646	-	-	703,646
Improvements other than Buildings	547,789	-	-	547,789
Infrastructure	3,126,216	26,301	-	3,152,517
Equipment	976,842	103,343	(37,311)	1,042,874
Total Capital Assets Being Depreciated	<u>5,354,493</u>	<u>129,644</u>	<u>(37,311)</u>	<u>5,446,826</u>
Less Accumulated Depreciation for				
Buildings	(403,969)	(20,169)	-	(424,138)
Improvements other than Buildings	(307,032)	(17,752)	-	(324,784)
Infrastructure	(892,053)	(93,489)	-	(985,542)
Equipment	(735,386)	(68,697)	37,311	(766,772)
Total Accumulated Depreciation	<u>(2,338,440)</u>	<u>(200,107)</u>	<u>37,311</u>	<u>(2,501,236)</u>
Total Capital Assets Being Depreciated, Net	<u>3,016,053</u>	<u>(70,463)</u>	<u>-</u>	<u>2,945,590</u>
Government Type Activities, Capital Assets, Net	<u>\$ 3,262,534</u>	<u>\$ (70,463)</u>	<u>\$ -</u>	<u>\$ 3,192,071</u>

**Town of Paonia, Colorado**  
**Notes to Financial Statements**  
**December 31, 2022**

**Note 4: Capital Assets (Continued)**

Capital assets Business-Type activity for the year ended December 31, 2022 is summarized below:

<b>Business Type Activities</b>	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital Assets Not Being Depreciated	\$ 834,157	\$ -	\$ -	\$ 834,157
Land & water rights	<u>834,157</u>	<u>-</u>	<u>-</u>	<u>834,157</u>
Total Capital Assets Not Depreciated	<u>834,157</u>	<u>-</u>	<u>-</u>	<u>834,157</u>
Capital Assets Being Depreciated				
Distribution systems	4,187,566	-	-	4,187,566
Collection system	783,774	141,743	-	925,517
Vehicles and equipment	587,543	35,997	(87,724)	535,816
Treatment plant	12,156,466	19,333	-	12,175,799
Less Accumulated depreciation	<u>(6,510,955)</u>	<u>(488,561)</u>	<u>87,724</u>	<u>(6,911,792)</u>
Total Capital Assets Being Depreciated	<u>11,204,394</u>	<u>(291,488)</u>	<u>-</u>	<u>10,912,906</u>
Total Capital Assets Being Depreciated, Net	<u>11,204,394</u>	<u>(291,488)</u>	<u>-</u>	<u>10,912,906</u>
Business Type Activities, Capital Assets, Net	<u>\$ 12,038,551</u>	<u>\$ (291,488)</u>	<u>\$ -</u>	<u>\$ 11,747,063</u>

Depreciation expense was charged to functions/programs of the Town as follows:

<b>Governmental Activities</b>	
General Government	\$ 26,396
Public Safety	24,583
Public Works	127,494
Culture and Recreation	<u>21,634</u>
Total	<u>\$ 200,107</u>

**Note 5: Interfund Receivables, Payables and Transfers**

Transfers for 2022 were as follows:

Transfers are used to move unrestricted General Fund revenues to finance various programs that

Transfers In	Transfers Out	Amount
Water Fund	Sales Tax Capital Improvement Fund	\$ 7,856
Sewer Fund	Sales Tax Capital Improvement Fund	20,284
Trash Fund	Sales Tax Capital Improvement Fund	7,857
Total		<u>\$ 35,997</u>

the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**Town of Paonia, Colorado**  
 Notes to Financial Statements  
 December 31, 2022

**Note 6: Long-Term Debt**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

<b>Governmental Activities</b>	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
Compensated Absences	21,814	-	(3,847)	17,967	1,797
Total	\$ 21,814	\$ -	\$ (3,847)	\$ 17,967	\$ 1,797

**CWRPDA Loan**

The Town has a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), which originally enabled the Town to borrow up to \$448,200 at 1.75% interest annually, with payments of \$23,343 per year. The purpose of the loan was for upgrades to the lower water treatment plant. The project was completed in 2011, and the Town is no longer able to draw on the loan agreement. The Town pledged its net revenue from the operation of the water utility for repayment of the loan in the amount of approximately \$338,000 through 2029. Pledged revenues received during 2022 were \$23,343. The proportion of the pledged revenue to total related revenues is not estimable because annual total fees collected fluctuate. The Town is required to provide rates and charges in order to maintain coverage of 110% of the debt service due on the governmental agency bond coming due in each calendar year, and to maintain an operation and maintenance reserve in an amount equal to three months of operating costs.

As of December 31, 2022, the Town borrowed \$395,969, of which the Town has made principal payments of \$253,137. Principal and interest payments for the years following December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 20,935	\$ 2,408	\$ 23,343
2024	21,303	2,040	23,343
2025	21,677	1,666	23,343
2026	22,058	1,285	23,343
2027	22,446	897	23,343
2028-2029	34,413	604	35,017
	\$ 142,832	\$ 8,900	\$ 151,732

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 6: Long-Term Debt** (Continued)

**Governmental Activities** (Continued)

WPA Loan

The Town has a Water Power Authority (WPA) loan agreement with CWRPDA for \$2,996,494 at 2.08% interest annually, with twice yearly payments ranging from about \$83,000 to \$91,000. The purpose of the loan is for improvements and the expansion of the existing water treatment facilities and distribution system. The Town pledged its net revenue from the operation of the water and sewer utility for repayment of the loan in the amount of approximately \$3,728,185 through 2035. Pledge revenues received during 2021 were \$191,222. The proportion of the pledged revenue to total related revenues is not estimable because annual total fees collected fluctuate. The Town is required to provide rates and charges in order to maintain coverage of 110% of the debt service due on the governmental agency bond coming due in each calendar year, and to maintain an operation and maintenance reserve in an amount equal to three months of operating expense, excluding depreciation of the water and sewer utility system, as set forth in the annual budget.

The loan balance includes a premium of \$25,431, which is amortized over the life of the loan on a straight-line basis. Yearly amortization is \$1,211. The remaining premium balance is \$14,936 as of December 31, 2022. At no time should the budget reserve be greater than \$1,250,000. Principal and interest payments for the years following December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	132,276	14,900	147,176
2024	133,651	13,850	147,501
2025	135,025	12,800	147,825
2026	137,088	11,750	148,838
2027	138,806	10,700	149,506
2028-2032	756,852	36,850	793,702
2033-2036	510,970	7,650	518,620
	<u>\$ 1,944,668</u>	<u>\$ 108,500</u>	<u>\$ 2,053,168</u>

2020 Revenue Refunding Bonds

The Town issued \$1,650,000 of Revenue Refunding Bonds, Series 2020A. The bonds were issued on September 28, 2020, with interest payments due April 1 and October 1 of each year through April 1, 2044, commencing October 1, 2021. Principal payments are due April 1 of each year commencing April 1, 2021. The bonds carry an interest rate of 3.0%. The bond refunding resulted in a decrease in required cash flow for debt service of \$401,412, which constitutes an economic gain on refunding of \$226,757. These bonds were used to refund the RUS Loan payable. The bonds do not constitute a lien on any physical property of the Town, but constitute a lien only on the net revenues of the water and sewer enterprise funds and all moneys on deposit in the Reserve Account. The Reserve Account is required to be maintained at \$100,750.

**Town of Paonia, Colorado**  
 Notes to Financial Statements  
 December 31, 2022

**Note 6: Long-Term Debt** (Continued)

**Governmental Activities** (Continued)

The Bonds were issued with a premium of \$46,180 which is amortized on a straight-line basis through the life of the bonds (24 years) and recognized as interest expense. Annual amortization is \$1,925. Principal and interest payments for the years following December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 50,000	\$ 46,500	\$ 96,500
2024	55,000	45,000	100,000
2025	55,000	43,350	98,350
2026	55,000	41,700	96,700
2027	60,000	40,050	100,050
2028-2032	250,000	172,800	422,800
2033-2037	440,000	134,850	574,850
2038-2042	250,000	72,750	322,750
2043-2044	335,000	20,100	355,100
	<u>\$ 1,550,000</u>	<u>\$ 617,100</u>	<u>\$ 2,167,100</u>

**Line of Credit**

The Town had a \$200,000 working-capital line of credit with an interest rate of 1.35% and a maturity date of September 2022. As of December 31, 2022, there was a \$0.00 outstanding balance on the line of credit.

**Note 7: Employee Retirement Plans**

**Deferred Compensation Plan**

All employees are eligible to participate in a deferred compensation plan that was created in accordance with the Internal Revenue Code section 457 (the Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by CCOERA, permits participants to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the Deferred Compensation Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The Town does not contribute to the Deferred Compensation Plan.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plans (Continued)**

**Deferred Compensation Plan** (Continued)

The individual participants determine investment decisions within the Deferred Compensation Plan and, therefore, the Deferred Compensation Plan's investment concentration varies between participants.

CCOERA is also the Trustee of the Deferred Compensation Plan and, accordingly, the Town has no liability for losses under the plan. Consequently, the Deferred Compensation Plan is not part of the Town's financial statements.

**FPPA Statewide Defined Benefit Plan**

*Plan Description:* The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

*Description of Benefits:* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Contributions:* The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plans (Continued)**

**FPPA Statewide Defined Benefit Plan (Continued)**

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014-member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

The Town’s contributions to the SWDB Plan for the year ended December 31, 2022, were \$23,683, equal to the required contributions.

The Town and eligible employees are required to contribute to the SWH Plan at rates established by the Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer.

The Town no longer has active participants in the SWH Plan.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2022, the Town reported a net pension liability (asset) of \$(146,914) representing its proportionate share of the net pension asset of the SWDB.

The net pension liability was measured at December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2022. The Town’s proportion of the net pension asset was based on a projection of the Town’s contributions to the plans for the calendar year ended December 31, 2022, relative to the projected contributions of all participating employers.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

At December 31, 2021, the Town’s proportion of the SWDB Plan was 0.02710922%, which was an increase of 0.002209% from its proportion measured at December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension expense (Benefit) for the SWDB plan of \$(16,554).

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 34,229	\$ 2,954
Net difference between projected and actual earnings on plan investments	-	73,312
Changes in assumptions and other inputs	16,874	-
Changes in proportion	-	4,636
Contributions subsequent to the measurement date	18,899	-
Total	\$ 70,002	\$ 80,902

Town contributions to the SWDB plan subsequent to the measurement date were \$(46,762) and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	Amount
2023	\$ (24,097)
2024	(13,519)
2025	(4,362)
2026	8,100
2027	4,533
Thereafter	(454)
Total	\$ (29,799)

Town of Paonia, Colorado  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Actuarial Assumptions - The actuarial valuation at January 1, 2022, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2021, are summarized in the following table:

**Town of Paonia, Colorado**  
 Notes to Financial Statements  
 December 31, 2022

**Note 7: Employee Retirement Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income Rates	10%	4.01%
Fixed Income Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
	100%	

*Discount Rate* - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director’s funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans’ fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town’s proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town’s proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's is proportionate share of the SWDB net pension (asset) liability	\$ <u>(20,260)</u>	\$ <u>(146,914)</u>	\$ <u>(251,839)</u>

Pension Plan Fiduciary Net Position - Detailed information about the Plans’ fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Public Entity Risk Pool**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of \$500,000 per claim or occurrence for property damage, \$600,000 per claim or occurrence for liability, and \$150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate losses at December 31, 2021. No settlements of claims against the Town in the last three years have exceeded the Town's coverage.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The board of directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

For 2022, the Town's deductible for property and liability claims per occurrence is \$1,000 for each. The auto liability deductible and the auto physical damage deductible are both \$1,000 per occurrence.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 8: Public Entity Risk Pool (Continued)**

The Town carries no deductible for workers Compensation coverage. CIRSA's coverage for workers' compensation claims are the Colorado statutory limits of \$500,000 per occurrence and \$1,000,000 for employer liability.

The Town also carries accident medical insurance coverage for volunteers through CIRSA. This provides a medical coverage for a minor injury a volunteer receives when serving the Town in a volunteer Town such as a community service worker, volunteer trail work, or volunteer coaching for recreation. Coverage is \$15,000 per occurrence with a \$25 deductible.

**Note 9: Commitments and Contingencies**

**Litigation/Legal Claims**

The Town may be a defendant in lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of any legal proceedings, it is the opinion of management that they will not have a material effect on the Town's financial position.

**Federal and State Grants and Financial Sources**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

**TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**Town of Paonia, Colorado**  
Notes to Financial Statements  
December 31, 2022

**Note 9: Commitments and Contingencies (Continued)**

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$53,179, which is the approximate required reserve at December 31, 2022.

The Town's voters approved the following ballot issue on November 6, 2001.

Excluding ad valorem property taxes and rates, and without creating any new taxes, increasing any tax rate, or adding any new taxes of any kind, shall the Town be permitted to collect, retain, and spend, for the fiscal year of 2001 and for each and every year thereafter, the full proceeds of the Town's taxes, grants and other revenues for expenditure on lawful municipal purposes, notwithstanding any State of Colorado restrictions on spending including the restrictions of Article X, Section 20 of the Constitution of the State of Colorado, and that these shall each constitute a voter approval revenue change.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

## Required Supplementary Information

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes			
General property taxes	\$ 150,121	\$ 173,242	\$ 23,121
Specific ownership taxes	23,315	24,170	855
Sales tax - town	463,496	604,594	141,098
Sales tax - county	370,845	459,379	88,534
Franchise taxes	61,375	58,448	-2,927
Cigarette taxes	1,785	1,707	(78)
Delinquent taxes	425	379	(46)
Licenses and Permits	39,125	50,335	11,210
Intergovernmental	180,020	166,512	(13,508)
Charges for Services	-	-	-
Grants	460,000	0	(460,000)
Investment Income	7,500	25,591	18,091
Fines and Forfeitures	34,975	6,618	(28,357)
Miscellaneous	22,497	87,515	65,018
 Total Revenues	 1,815,479	 1,658,490	 (156,989)
<b>Expenditures</b>			
Current			
General Government	285,725	316,743	(31,018)
Public Safety	576,561	538,494	38,067
Public Works	406,851	201,872	204,979
Community Service	631,092	137,771	493,321
Culture and Recreation	13,500	-	13,500
 Total Expenditures	 1,913,729	 1,194,880	 718,849
 <b>Excess Revenues Over (Under) Expenditures</b>	 (98,250)	 463,610	 561,860
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	(100)	100
Other Financing Sources (Uses)			
 <b>Net Change in Fund Balance</b>	 (98,250)	 463,510	 561,960
 <b>Fund Balance, Beginning of year</b>	 980,742	 980,742	 -
 <b>Fund Balance, End of year</b>	 \$ 882,492	 \$ 1,444,252	 \$ 561,960

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 Sales Tax Capital Improvement Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Sales tax	\$ 234,000	\$ 302,297	\$ 68,297
Miscellaneous	7,650	7,650	-
<b>Total Revenues</b>	241,650	309,947	68,297
<b>Expenditures</b>			
Capital Outlay	489,581	100,452	389,129
<b>Total Expenditures</b>	489,581	100,452	389,129
<b>Other Financing Uses</b>			
Transfers (out)	(244,327)	(35,997)	208,330
<b>Net Change in Fund Balance</b>	(492,258)	173,498	665,756
<b>Fund Balance, Beginning of year</b>	468,047	468,047	-
<b>Fund Balance, End of year</b>	\$ (24,211)	\$ 641,545	\$ 665,756

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 Conservation Trust Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Taxes	\$ 8,500	\$ 9,260	\$ 760
Interest income	15	13	(2)
Total Revenues	8,515	9,273	758
<b>Expenditures</b>			
Parks	25,582	4,924	20,658
Total Expenditures	25,582	4,924	20,658
<b>Excess Revenues Over (Under) Expenditures</b>	(17,067)	4,349	21,416
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	100	100
Other Financing Sources (Uses)			
<b>Net Change in Fund Balance</b>	(17,067)	4,449	21,516
<b>Fund Balance, Beginning of year</b>	17,332	17,232	(100)
<b>Fund Balance, End of year</b>	\$ 265	\$ 21,681	\$ 21,416

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 Street Capital Improvement Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Highway users tax	\$ 121,000	\$ 149,575	\$ 28,575
Fees	0	9,200	9,200
Total Revenues	121,000	158,775	37,775
<b>Expenditures</b>			
Capital outlay	528,370	-	528,370
Total Expenditures	528,370	-	528,370
<b>Net Change in Fund Balance</b>	(407,370)	158,775	566,145
<b>Fund Balance, Beginning of year</b>	141,777	141,777	-
<b>Fund Balance, End of year</b>	\$ (265,593)	\$ 300,552	\$ 566,145

**Town of Paonia, Colorado**  
Notes to Required Supplementary Information  
December 31, 2022

**Note 1: Stewardship, Compliance, and Accountability**

**Budgets**

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board.
- All appropriations lapse at year end.

## Supplementary Information

**Town of Paonia, Colorado**  
 Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2022

	Street Capital Improvement Fund	Conservation Trust Fund	Sidewalk Fund	Total
<b>Assets</b>				
Cash and cash equivalents				
Unrestricted	\$ 300,552	\$ 21,681	\$ 60,312	\$ 382,545
Taxes receivable	-	-	2,906	2,906
 Total Assets	\$ 300,552	\$ 21,681	\$ 63,218	\$ 385,451
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
 Total Liabilities	-	-	-	-
<b>Fund Balance</b>				
Unassigned	300,552	21,681	63,218	385,451
 Total Fund Balance	300,552	21,681	63,218	385,451
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 300,552	\$ 21,681	\$ 63,218	\$ 385,451

**Town of Paonia, Colorado**  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2022

	Street Capital Improvement Fund	Conservation Trust Fund	Sidewalk Fund	Total
<b>Revenues</b>				
Taxes	\$ 149,575	\$ 9,260	\$ -	\$ 158,835
Licenses	9,200	-	30,176	39,376
Miscellaneous	-	13	-	13
Total Revenues	<u>158,775</u>	<u>9,273</u>	<u>30,176</u>	<u>198,224</u>
<b>Expenditures</b>				
Current				
Culture and Recreation	-	4,924	-	4,924
Total Expenditures	<u>-</u>	<u>4,924</u>	<u>-</u>	<u>4,924</u>
<b>Excess Revenues Over</b>	158,775	4,349	30,176	193,300
<b>Other Financing Sources (Uses)</b>				
Transfers Out				
Other Financing Sources (Uses)	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
<b>Net Change in Fund Balance</b>	158,775	4,449	30,176	193,400
<b>Fund Balance, Beginning of year</b>	<u>141,777</u>	<u>17,232</u>	<u>33,042</u>	<u>192,051</u>
<b>Fund Balance, End of year</b>	<u>\$ 300,552</u>	<u>\$ 21,681</u>	<u>\$ 63,218</u>	<u>\$ 385,451</u>

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 Sidewalk Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Sidewalk revenue	\$ 31,068	\$ 30,176	\$ (892)
Total Revenues	31,068	30,176	(892)
<b>Expenditures</b>			
Capital Outlay	64,103	-	64,103
Total Expenditures	64,103	-	64,103
<b>Net Change in Fund Balance</b>	(33,035)	30,176	63,211
<b>Fund Balance, Beginning of year</b>	33,042	33,042	-
<b>Fund Balance, End of year</b>	7	\$ 63,218	\$ 63,211

**Town of Paonia, Colorado**  
**Budgetary Comparison Schedule**  
**Water Fund**  
**For the Year Ended December 31, 2022**

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Water charges	\$ 1,503,926	\$ 1,015,316	\$ (488,610)
Sales and service	7,000	2,387	(4,613)
Water tank	6,025	7,208	1,183
Standby tap fees	-	58,943	58,943
Penalties	350	4,500	4,150
Rents	1,000	-	(1,000)
Grants	690,357	184,616	(505,741)
Miscellaneous revenue	14,375	11,215	(3,160)
	<u>2,223,033</u>	<u>1,284,185</u>	<u>(938,848)</u>
<b>Total Revenue</b>			
<b>Expenses</b>			
Salaries and wages	192,453	149,790	42,663
Employee benefits	78,279	46,415	31,864
John Norris retirement	20,160	17,360	2,800
Supplies	23,830	40,130	(16,300)
Legal and engineering	40,500	39,736	764
Repairs and maintenance	227,750	166,854	60,896
Professional fees	29,630	36,092	(6,462)
Telephone	5,088	5,039	49
Postage	5,550	5,469	81
Travel and meetings	1,200	1,035	165
Insurance and bonds	27,550	26,405	1,145
Utilities	34,654	29,323	5,331
Vehicle expense	20,360	5,989	14,371
Dues and subscriptions	20,658	20,670	(12)
Shop expense	1,950	6,224	(4,274)
Miscellaneous	-	71,179	(71,179)
Fees and permits	12,215	9,257	2,958
Drinking water revolving funds	23,344	-	23,344
Capital projects	1,278,395	27,191	1,251,204
	<u>2,043,566</u>	<u>704,158</u>	<u>1,339,408</u>
<b>Total Expenses</b>			
<b>Net Operating Income</b>			
	<u>179,467</u>	<u>580,027</u>	<u>400,560</u>
<b>Nonoperating Revenues (Expenses)</b>			
Debt Service Principal	(191,225)	(151,474)	39,751
Interest Expense	-	(44,460)	(44,460)
	<u>(191,225)</u>	<u>(195,934)</u>	<u>(4,709)</u>
<b>Total Nonoperating Revenues (Expenses)</b>			
<b>Net Income (Loss) Before Contributed Capital and Transfers</b>			
	(11,758)	384,093	395,851
<b>Contributed Capital and Transfers</b>			
Transfers In	-	7,856	7,856
<b>Change in Net Position, Budgetary Basis</b>			
	<u>\$ (11,758)</u>	<u>\$ 391,949</u>	<u>\$ 403,707</u>

See Accompanying Independent Auditor's Report.

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 Water Fund  
 For the Year Ended December 31, 2022  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Change in Net Position,</b>				
<i>Budgetary Basis</i>	\$ -	\$ (11,758)	\$ 391,949	\$ 403,707
 <b>Reconciliation to GAAP Basis</b>				
Debt Service Principal			151,474	
Capital Outlay			27,191	
Depreciation			(356,057)	
<b>Change in Net Position, GAAP Basis</b>			\$ 214,557	

**Town of Paonia, Colorado**  
**Budgetary Comparison Schedule**  
**Sewer Fund**  
**For the Year Ended December 31, 2022**

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Sewer charges	\$ 536,856	\$ 543,079	\$ 6,223
Total Revenue	536,856	543,079	6,223
<b>Expenses</b>			
Salaries and wages	97,424	79,982	17,442
Employee benefits	38,596	24,755	13,841
Supplies	16,655	14,580	2,075
Legal and engineering	5,500	4,777	723
Repairs and maintenance	59,965	30,000	29,965
Professional fees	13,650	14,672	(1,022)
Telephone	1,976	1,991	(15)
Postage	2,695	2,668	27
Travel and meetings	2,400	963	1,437
Insurance and bonds	11,195	9,857	1,338
Utilities	35,951	41,917	(5,966)
Vehicle expense	20,300	6,218	14,082
Dues and subscriptions	560	571	(11)
Shop Expense	6,130	6,964	(834)
Fees and permits	7,382	6,260	1,122
Gauging station	4,100	4,213	(113)
Capital projects	0	162,028	(162,028)
Miscellaneous	140	24	116
Total Expenses	324,619	412,440	(87,821)
<b>Net Operating Income</b>	212,237	130,639	(81,598)
<b>Nonoperating Revenues (Expenses)</b>			
Debt Service Principal	-	50,000	50,000
Interest Expense	(108,625)	(44,950)	63,675
Interest Income	400	11,264	10,864
Total Nonoperating Revenues (Expenses)	(108,225)	16,314	124,539
<b>Net Income (Loss) Before Contributed Capital and Transfers</b>	104,012	146,953	42,941
<b>Contributed Capital and Transfers</b>			
Tap Fees	5,000	5,000	-
Transfers In	-	20,284	20,284
	-	20,284	20,284
<b>Change in Net Position, Budgetary Basis</b>	\$ 109,012	\$ 172,237	\$ 63,225
<b>Reconciliation to GAAP Basis</b>			
Debt Service Principal		(50,000)	
Capital Outlay		162,028	
Depreciation		(114,297)	
<b>Change in Net Position, GAAP Basis</b>		\$ 169,968	

**Town of Paonia, Colorado**  
 Budgetary Comparison Schedule  
 Trash Fund  
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Garbage charges	\$ 264,340	\$ 249,537	\$ (14,803)
Total Revenue	264,340	249,537	(14,803)
<b>Expenses</b>			
Salaries and wages	125,926	127,401	(1,475)
Employee benefits	55,173	44,829	10,344
Supplies	1,365	2,492	(1,127)
Legal and engineering	4,500	4,000	500
Repairs and maintenance	1,600	370	1,230
Professional fees	2,740	2,891	(151)
Telephone	753	511	242
Postage	1,793	1,624	169
Insurance and bonds	6,695	6,741	(46)
Utilities	2,672	2,675	(3)
Vehicle expense	16,760	22,883	(6,123)
Shop Expense	1,420	2,073	(653)
Landfill fees	40,320	37,911	2,409
Capital Outlay	3,600	-	3,600
Miscellaneous	140	4,263	(4,123)
Total Expenses	265,457	260,664	4,793
<b>Net Income (Loss) Before Contributed Capital and Transfers</b>	(1,117)	(11,127)	(19,596)
<b>Contributed Capital and Transfers</b>			
Transfers In	-	7,857	
<b>Change in Net Position, Budgetary Basis</b>	\$ (1,117)	\$ (3,270)	\$ (19,596)
<b>Reconciliation to GAAP Basis</b>			
Depreciation		(18,207)	
<b>Change in Net Position, GAAP Basis</b>		\$ (21,477)	

## **Compliance Section**

## **State Compliance**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: <b>COLORADO</b>
	YEAR ENDING (mm/yy): <b>12/22</b>

This Information From The Records Of: <b>Town of Paonia</b>	Prepared By: <b>Stefen Wynn, Town Administrator/Treasurer</b>
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 15,727.69
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 10,533.41
2. General fund appropriations	\$ -	b. Snow and ice removal	\$ 15,231.15
3. Other local imposts (from page 2)	\$ 185,412.41	c. Other	\$ -
4. Miscellaneous local receipts (from page 2)	\$ 10,133.14	d. Total (a. through c.)	\$ 25,764.56
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 160,380.74
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ -
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 201,872.99
b. Bonds - Refunding Issues	\$ -	<b>B. Debt service on local obligations:</b>	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 195,545.55	b. Redemption	\$ -
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	\$ 49,916.00	a. Interest	\$ -
<b>D. Receipts from Federal Government</b>		b. Redemption	\$ -
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 245,461.55	3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	\$ -
		<b>D. Payments to toll facilities</b>	\$ -
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 201,872.99

**IV. LOCAL HIGHWAY DEBT STATUS**

*(Show all entries at par)*

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				\$ -
1. Bonds (Refunding Portion)				\$ -
<b>B. Notes (Total)</b>				\$ -

**V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 1,026,090.00	\$ 245,461.55	\$ 201,872.99	\$ 1,069,678.56	\$ -

**Notes and Comments:**

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
 12/22

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments	\$ -	a. Interest on investments	\$ -
b. Other local imposts:		b. Traffic Fines & Penalties	\$ -
1. Sales Taxes	\$ 185,412.41	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ -	d. Parking Meter Fees	\$ -
3. Liens	\$ -	e. Sale of Surplus Property	\$ -
4. Licenses	\$ -	f. Charges for Services	\$ 1,465.00
5. Specific Ownership &/or Other	\$ -	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 185,412.41	h. Other	\$ 8,668.14
c. Total (a. + b.)	\$ 185,412.41	i. Total (a. through h.)	\$ 10,133.14
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 49,916.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ -	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ -	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal	\$ -
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 49,916.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	\$ -	\$ -	\$ -
b. Engineering Costs	\$ -	\$ -	\$ -
c. Construction:			
(1). New Facilities	\$ -	\$ -	\$ -
(2). Capacity Improvements	\$ -	\$ -	\$ -
(3). System Preservation	\$ -	\$ -	\$ -
(4). System Enhancement And Operation	\$ -	\$ -	\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -

*(Carry forward to page 1)*

Notes and Comments:



**TOWN OF PAONIA  
BOARD OF TRUSTEES MEETING  
STAFF REPORT**

<b>AGENDA ITEM:</b>	2024-104 The Flying Fork Ltd dba The Flying Fork Cafe Liquor License Transfer from The Flying Fork Cafe LLC
<b>SUBMITTED BY:</b>	Samira Vetter, Town Clerk
<b>DATE:</b>	March 26, 2024
<b>BACKGROUND:</b>	<ul style="list-style-type: none"><li>- All required paperwork and fees have been turned in to the Town Clerk.</li><li>- Paonia Police Department has no issues or concerns with the granting of this transfer</li><li>- Paonia Public Works has no issues or concerns with the granting of this transfer</li><li>- The Administrative Offices have no issues or concerns with the granting of this license.</li><li>- All legal requirements have been met for this license.</li><li>- The Town Clerk's Office has received no written comments as of March 22, 2024, positive or negative.</li><li>- Notification has been made by publication, posters and mailings to owners within 200 ft of the property.</li></ul>
<b>BUDGET:</b>	\$900.00 to 10-32-01 : Liquor Licenses
<b>RECOMMENDATION:</b>	All legal requirements have been met for this Liquor License transfer
<b>ATTACHMENT:</b>	Preliminary Findings & Report The Flying Fork Ltd. Transfer Application Articles of Organization Certificate of Good Standing Operating Agreement



Office of the Town Clerk  
214 Grand Ave.  
P.O. Box 460  
Paonia, CO 81428  
O: (970) 527-4101  
F: (970) 527-4102

March 15<sup>th</sup>, 2024

Jessica Catinella  
The Flying Fork Ltd  
101 3<sup>rd</sup> St.  
P.O. Box 907  
Paonia, CO 81428

**RE: Preliminary Findings and Report**

Mrs. Catinella,

You are hereby advised that an investigation has been made regarding your application for a Transfer of Ownership for a Hotel and Restaurant Liquor License from The Flying Fork LLC to The Flying Fork Ltd. Based on the results thereof, the following has been determined:

1. The location of the premises for which the license is sought is 101 3<sup>rd</sup> Street, Paonia, CO. and the full application was received on March 4<sup>th</sup>, 2024.
2. In the two years preceding the date of the application, there has not been the denial of any liquor license application for the reason that reasonable requirements of the neighborhood were satisfied by the existing license. In fact, the location has been legally licensed for multiple years.
3. It appears from the application documents that you are entitled to possession of the premises where you propose to exercise the license applied for and that the possession will continue throughout the initial term of the license applied for and that the possession will continue throughout the initial term of the license and that the Landlord of said premises is in agreement to the transfer of their existing liquor license.
4. The sale of liquor at the proposed premises is not a violation of the Town of Paonia zoning, building and fire laws or regulations.
5. The proposed location does not appear to be within 500 ft from any public or private school or the principal campus of any college, university, or seminary.
6. The 'needs and desires' of the neighborhood have already been established by the existing liquor license.
7. The background investigation results from the CBI and FBI have produced no results which would cause the character of the applicant to be at issue as part of the hearing.

CC:

8. The Notice of the Public Hearing was physically posted at the location on March 13, 2024; at Town Hall on March 14<sup>th</sup> and published in the Delta County Independent on March 14 and 21, 2024.

The Public Hearing on your application has been set for Tuesday, March 26, 2024, beginning at 6:30 p.m. or shortly thereafter. The hearing will take place in the Board Room at Town Hall, 214 Grand Avenue in Paonia. At the hearing you shall have the opportunity to be heard regarding all matters of consideration of your application. Be advised that you, as the applicant are burdened with persuading the Board of Trustees, who are the Local Licensing Authority, that the granting of this license will meet the needs of the Neighborhood and desires of the adult inhabitants of the Neighborhood. Should you have any questions or concerns regarding the procedure involved in this public hearing, please feel free to contact me at (970) 527-4101 or [samirav@townofpaonia.com](mailto:samirav@townofpaonia.com).

Sincerely,



Samira M. Vetter

Paonia Town Clerk

E: [samirav@townofpaonia.com](mailto:samirav@townofpaonia.com)

CC:

# Colorado Liquor Retail License Application

\* Note that the Division will not accept cash  Paid by check  Paid online

Uploaded to  MoveIt on  Date

New License  New-Concurrent  Transfer of Ownership  State Property Only  Master file

• All answers must be printed in black ink or typewritten  
 • Applicant must check the appropriate box(es)  
 • Applicant should obtain a copy of the Colorado Liquor, Beer and Wine Code: [SBG.Colorado.gov/Liquor](http://SBG.Colorado.gov/Liquor)

1. Applicant is applying as a/an  Individual  Limited Liability Company  Association or Other  
 Corporation  Partnership (includes Limited Liability and Husband and Wife Partnerships)

2. Applicant if an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation  
The Flying Fork Ltd FEIN Number 99-1143173

2a. Trade Name of Establishment (DBA) The Flying Fork Cafe Restaurant State Sales Tax Number 2024/157943 Business Telephone 970 5279075

3. Address of Premises (specify exact location of premises, include suite/unit numbers)  
101 3rd Street

City Paonia County Delta State CO ZIP Code 81428

4. Mailing Address (Number and Street) PO Box 907 City or Town Paonia State CO ZIP Code 81428

5. Email Address jessica@flyingforkcafe.com

6. If the premises currently has a liquor or beer license, you must answer the following questions

Present Trade Name of Establishment (DBA) The Flying Fork Present State License Number 03-13233 Present Class of License Hotel & Restaurant Present Expiration Date April 15, 2024

Section A Nonrefundable Application Fees*	Section B (Cont.) Liquor License Fees*
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<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> Application Fee for New License.....</td> <td>\$1,100.00</td> </tr> <tr> <td><input type="checkbox"/> Application Fee for New License w/Concurrent Review.....</td> <td>\$1,200.00</td> </tr> <tr> <td><input checked="" type="checkbox"/> Application Fee for Transfer.....</td> <td>\$1,100.00</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Section B Liquor License Fees*</th> </tr> <tr> <td><input type="checkbox"/> Add Optional Premises to H &amp; R.....</td> <td>\$100.00 X _____ Total _____</td> </tr> <tr> <td><input type="checkbox"/> Add Related Facility to Resort Complex.....</td> <td>\$75.00 X _____ Total _____</td> </tr> <tr> <td><input type="checkbox"/> Add Sidewalk Service Area.....</td> <td>\$75.00</td> </tr> <tr> <td><input type="checkbox"/> Arts License (City).....</td> <td>\$308.75</td> </tr> <tr> <td><input type="checkbox"/> Arts License (County).....</td> <td>\$308.75</td> </tr> <tr> <td><input type="checkbox"/> Beer and Wine License (City).....</td> <td>\$351.25</td> </tr> <tr> <td><input type="checkbox"/> Beer and Wine License (County).....</td> <td>\$436.25</td> </tr> <tr> <td><input type="checkbox"/> Brew Pub License (City).....</td> <td>\$750.00</td> </tr> <tr> <td><input type="checkbox"/> Brew Pub License (County).....</td> <td>\$750.00</td> </tr> <tr> <td><input type="checkbox"/> Campus Liquor Complex (City).....</td> <td>\$500.00</td> </tr> <tr> <td><input type="checkbox"/> Campus Liquor Complex (County).....</td> <td>\$500.00</td> </tr> <tr> <td><input type="checkbox"/> Campus Liquor Complex (State).....</td> <td>\$500.00</td> </tr> <tr> <td><input type="checkbox"/> Club License (City).....</td> <td>\$308.75</td> </tr> <tr> <td><input type="checkbox"/> Club License (County).....</td> <td>\$308.75</td> </tr> <tr> <td><input type="checkbox"/> Distillery Pub License (City).....</td> <td>\$750.00</td> </tr> <tr> <td><input type="checkbox"/> Distillery Pub License (County).....</td> <td>\$750.00</td> </tr> <tr> <td><input checked="" type="checkbox"/> Hotel and Restaurant License (City).....</td> <td>\$500.00</td> </tr> <tr> <td><input type="checkbox"/> Hotel and Restaurant License (County).....</td> <td>\$500.00</td> </tr> <tr> <td><input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City).....</td> <td>\$600.00</td> </tr> <tr> <td><input type="checkbox"/> Hotel and Restaurant License w/one opt premises (County).....</td> <td>\$600.00</td> </tr> <tr> <td><input type="checkbox"/> Liquor-Licensed Drugstore (City).....</td> <td>\$227.50</td> </tr> </table>	<input type="checkbox"/> Application Fee for New License.....	\$1,100.00	<input type="checkbox"/> Application Fee for New License w/Concurrent Review.....	\$1,200.00	<input checked="" type="checkbox"/> Application Fee for Transfer.....	\$1,100.00	Section B Liquor License Fees*		<input type="checkbox"/> Add Optional Premises to H & R.....	\$100.00 X _____ Total _____	<input type="checkbox"/> Add Related Facility to Resort Complex.....	\$75.00 X _____ Total _____	<input type="checkbox"/> Add Sidewalk Service Area.....	\$75.00	<input type="checkbox"/> Arts License (City).....	\$308.75	<input type="checkbox"/> Arts License (County).....	\$308.75	<input type="checkbox"/> Beer and Wine License (City).....	\$351.25	<input type="checkbox"/> Beer and Wine License (County).....	\$436.25	<input type="checkbox"/> Brew Pub License (City).....	\$750.00	<input type="checkbox"/> Brew Pub License (County).....	\$750.00	<input type="checkbox"/> Campus Liquor Complex (City).....	\$500.00	<input type="checkbox"/> Campus Liquor Complex (County).....	\$500.00	<input type="checkbox"/> Campus Liquor Complex (State).....	\$500.00	<input type="checkbox"/> Club License (City).....	\$308.75	<input type="checkbox"/> Club License (County).....	\$308.75	<input type="checkbox"/> Distillery Pub License (City).....	\$750.00	<input type="checkbox"/> Distillery Pub License (County).....	\$750.00	<input checked="" type="checkbox"/> Hotel and Restaurant License (City).....	\$500.00	<input type="checkbox"/> Hotel and Restaurant License (County).....	\$500.00	<input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City).....	\$600.00	<input type="checkbox"/> Hotel and Restaurant License w/one opt premises (County).....	\$600.00	<input type="checkbox"/> Liquor-Licensed Drugstore (City).....	\$227.50	<table border="1" style="width: 100%; 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Questions? Visit: [SBG.Colorado.gov/Liquor](http://SBG.Colorado.gov/Liquor) for more information

Do not write in this space - For Department of Revenue use only

Liability Information			
License Account Number	Liability Date	License Issued Through (Expiration Date)	Total \$

# Application Documents Checklist and Worksheet

**Instructions:** This checklist should be utilized to assist applicants with filing all required documents for licensure. All documents must be properly signed and correspond with the name of the applicant exactly. All documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable. **Questions? Visit: [SBG.Colorado.gov/Liquor](http://SBG.Colorado.gov/Liquor) for more information**

Items submitted, please check all appropriate boxes completed or documents submitted

<p><b>I. Applicant information</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> A. Applicant/Licensee identified</li> <li><input checked="" type="checkbox"/> B. State sales tax license number listed or applied for at time of application</li> <li><input type="checkbox"/> C. License type or other transaction identified</li> <li><input type="checkbox"/> D. Return originals to local authority (additional items may be required by the local licensing authority)</li> <li><input type="checkbox"/> E. All sections of the application need to be completed</li> <li><input type="checkbox"/> F. Master file applicants must include the Application for Master File form DR 8415 and applicable fees to this Retail License Application</li> </ul>
<p><b>II. Diagram of the premises</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> A. No larger than 8½" X 11"</li> <li><input type="checkbox"/> B. Dimensions included (does not have to be to scale). Exterior areas should show type of control (fences, walls, entry/exit points, etc.)</li> <li><input type="checkbox"/> C. Separate diagram for each floor (if multiple levels)</li> <li><input type="checkbox"/> D. Kitchen - identified if Hotel and Restaurant</li> <li><input type="checkbox"/> E. Bold/Outlined Licensed Premises</li> </ul>
<p><b>III. Proof of property possession (One Year Needed)</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A. Deed in name of the applicant (or) (matching question #2) date stamped / filed with County Clerk</li> <li><input checked="" type="checkbox"/> B. Lease in the name of the applicant (or) (matching question #2)</li> <li><input checked="" type="checkbox"/> C. Lease assignment in the name of the applicant with proper consent from the landlord and acceptance by the applicant</li> <li><input type="checkbox"/> D. Other agreement if not deed or lease. (matching question #2)</li> </ul>
<p><b>IV. Background information (DR 8404-I) and financial documents</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A. Complete DR 8404-I for each principal (individuals with more than 10% ownership, officers, directors, partners, members)</li> <li><input checked="" type="checkbox"/> B. Fingerprints taken and submitted to the appropriate Local Licensing Authority through an approved State Vendor. Master File applicants submit results to the State using code 25YQHT with Identogo. <b>Do not complete fingerprint cards prior to submitting your application.</b> The Vendors are as follows: <b>Identogo</b> – <a href="https://enroll.identogo.com/">https://enroll.identogo.com/</a> Phone: 844-539-5539 (toll-free) <b>Colorado Fingerprinting</b> – <a href="http://www.coloradofingerprinting.com">http://www.coloradofingerprinting.com</a> Appointment Scheduling Website: <a href="http://www.coloradofingerprinting.com/cabs/">http://www.coloradofingerprinting.com/cabs/</a> Phone: 720-292-2722 Toll Free: 833-224-2227 <b>Details about the vendors and fingerprinting in Colorado can be found on CBI's website here:</b> <a href="https://cbi.colorado.gov/sections/biometric-identification-and-records-unit/employment-and-background-checks">https://cbi.colorado.gov/sections/biometric-identification-and-records-unit/employment-and-background-checks</a></li> <li><input type="checkbox"/> C. Purchase agreement, stock transfer agreement, and/or authorization to transfer license</li> <li><input type="checkbox"/> D. List of all notes and loans (Copies to also be attached)</li> </ul>
<p><b>V. Sole proprietor/husband and wife partnership (if applicable)</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A. Form DR 4679</li> <li><input type="checkbox"/> B. Copy of State issued Driver's License or Colorado Identification Card for each applicant</li> </ul>
<p><b>VI. Corporate applicant information (if applicable)</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> A. Certificate of Incorporation</li> <li><input checked="" type="checkbox"/> B. Certificate of Good Standing</li> <li><input type="checkbox"/> C. Certificate of Authorization if foreign corporation (out of state applicants only)</li> </ul>
<p><b>VII. Partnership applicant information (if applicable)</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> A. Partnership Agreement (general or limited).</li> <li><input checked="" type="checkbox"/> B. Certificate of Good Standing</li> </ul>
<p><b>VIII. Limited Liability Company applicant information (if applicable)</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> A. Copy of articles of organization</li> <li><input checked="" type="checkbox"/> B. Certificate of Good Standing</li> <li><input type="checkbox"/> C. Copy of Operating Agreement (if applicable)</li> <li><input type="checkbox"/> D. Certificate of Authority if foreign LLC (out of state applicants only)</li> </ul>
<p><b>IX. Manager registration for Hotel and Restaurant, Tavern, Lodging &amp; Entertainment, and Campus Liquor Complex licenses when included with this application</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> A. \$30.00 fee</li> <li><input checked="" type="checkbox"/> B. If owner is managing, no fee required</li> </ul>

Name	Type of License	Account Number		
<p>7. Is the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers under the age of twenty-one years? <span style="float:right">Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></span></p>				
<p>8. Has the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers ever (in Colorado or any other state):</p> <p>a. Been denied an alcohol beverage license? <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p> <p>b. Had an alcohol beverage license suspended or revoked? <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p> <p>c. Had interest in another entity that had an alcohol beverage license suspended or revoked? <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p> <p>If you answered yes to 8a, b or c, explain in detail on a separate sheet.</p>				
<p>9. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years? If "yes", explain in detail. <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p>				
<p>10. Are the premises to be licensed within 500 feet, of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary? <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p> <p style="text-align:right">or</p> <p style="text-align:right">Waiver by local ordinance? <input type="checkbox"/> <input type="checkbox"/></p> <p style="text-align:right">Other: _____</p>				
<p>11. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of greater than (&gt;) 10,000? <b>NOTE:</b> The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS. <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p>				
<p>12. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of less than (&lt;) 10,000? <b>NOTE:</b> The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS. <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p>				
<p>13. a. For additional Retail Liquor Store only. Was your Retail Liquor Store License issued on or before January 1, 2016? <span style="float:right"><input type="checkbox"/> <input type="checkbox"/></span></p> <p>b. Are you a Colorado resident? <span style="float:right"><input type="checkbox"/> <input type="checkbox"/></span></p>				
<p>14. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any <u>current</u> financial interest in said business including any loans to or from a licensee. <span style="float:right"><input checked="" type="checkbox"/> <input type="checkbox"/></span></p>				
<p>15. Does the applicant, as listed on line 2 of this application, <b>have legal possession of the premises by ownership, lease or other arrangement?</b> <span style="float:right"><input checked="" type="checkbox"/> <input type="checkbox"/></span></p> <p><input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Other (Explain in Detail) _____</p> <p>a. If leased, list name of landlord and tenant, and date of expiration, <b>exactly</b> as they appear on the lease:</p>				
Landlord	Tenant	Expires		
Kelly Steintmetz	Jessica M. Cafinella	1/31/2027		
<p>b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16. <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p>				
<p>c. Attach a diagram that designates the area to be licensed in black bold outline (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8½" X 11".</p>				
<p>16. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies) will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business? Attach a separate sheet if necessary.</p>				
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
Last Name	First Name	Date of Birth	FEIN or SSN	Interest/Percentage
<p><b>Attach copies of all notes and security instruments and any written agreement or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.</b></p>				
<p>17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:</p> <p>Has a local ordinance or resolution authorizing optional premises been adopted? <span style="float:right"><input type="checkbox"/> <input checked="" type="checkbox"/></span></p> <p style="text-align:right">Number of additional Optional Premise areas requested. (See license fee chart) _____</p>				
<p>18. For the addition of a Sidewalk Service Area per Regulation 47-302(A)(4), include a diagram of the service area and documentation received from the local governing body authorizing use of the sidewalk. Documentation may include but is not limited to a statement of use, permit, easement, or other legal permissions.</p>				

Name	Type of License	Account Number
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19. Liquor Licensed Drugstore (LLDS) applicants, answer the following:  
 a. Is there a pharmacy, licensed by the Colorado Board of Pharmacy, located within the applicant's LLDS premise?  Yes  No  
**If "yes" a copy of license must be attached.**

20. Club Liquor License applicants answer the following: **Attach a copy of applicable documentation** Yes No  
 a. Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?  Yes  No  
 b. Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?  Yes  No  
 c. How long has the club been incorporated?  
 d. Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?  Yes  No

21. Brew-Pub, Distillery Pub or Vintner's Restaurant applicants answer the following:  
 a. Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)  Yes  No

22. Campus Liquor Complex applicants answer the following:  
 a. Is the applicant an institution of higher education?  Yes  No  
 b. Is the applicant a person who contracts with the institution of higher education to provide food services?  Yes  No  
**If "yes" please provide a copy of the contract with the Institution of higher education to provide food services.**

23. For all on-premises applicants.  
 a. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit an Manager Permit Application - DR 8000 and fingerprints.

Last Name of Manager	First Name of Manager
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24. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number.  Yes  No

25. Related Facility - Campus Liquor Complex applicants answer the following:  Yes  No  
 a. Is the related facility located within the boundaries of the Campus Liquor Complex?  
 If yes, please provide a map of the geographical location within the Campus Liquor Complex.  
 If no, this license type is not available for issues outside the geographical location of the Campus Liquor Complex.  
 b. Designated Manager for Related Facility- Campus Liquor Complex

Last Name of Manager	First Name of Manager
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26. Tax Information. Yes No  
 a. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business?  Yes  No  
 b. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.?  Yes  No

27. If applicant is a corporation, partnership, association or limited liability company, applicant must list all **Officers, Directors, General Partners, and Managing Members**. In addition, applicant must list any stockholders, partners, or members with **ownership of 10% or more in the applicant**. All persons listed below must also attach form DR 8404-1 (Individual History Record), and make an appointment with an approved State Vendor through their website. See application checklist, Section IV, for details.

Name	Home Address, City & State	DOB	Position	%Owned
Jessica Cabinella	[Redacted] Hotchkiss	[Redacted] / B	owner	100
	Colorado 81419			

Name	Type of License	Account Number
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\*\* If applicant is owned 100% by a parent company, please list the designated principal officer on above.  
 \*\* Corporations - the President, Vice-President, Secretary and Treasurer must be accounted for above (Include ownership percentage if applicable)  
 \*\* If total ownership percentage disclosed here does not total 100%, applicant must check this box:  
 Applicant affirms that no individual other than these disclosed herein owns 10% or more of the applicant and does not have financial interest in a prohibited liquor license pursuant to Article 3 or 5, C.R.S.

**Oath Of Applicant**

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.

Signature	Printed Name and Title	Date
	Jessica Catinella owner/operator	

**Report and Approval of Local Licensing Authority (City/County)**

Date application filed with local authority	Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application)
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For Transfer Applications Only - Is the license being transferred valid? Yes  No

The Local Licensing Authority Hereby Affirms that each person required to file DR 8404-I (Individual History Record) or a DR 8000 (Manager Permit) has been:

- Fingerprinted
- Subject to background investigation, including NCIC/CCIC check for outstanding warrants

That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with and aware of, liquor code provisions affecting their class of license (Check One)

- Date of inspection or anticipated date \_\_\_\_\_
- Will conduct inspection upon approval of state licensing authority

Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1,500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of > 10,0000? Yes  No

Is the Liquor Licensed Drugstore(LLDS) or Retail Liquor Store (RLS) within 3,000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of < 10,0000?

**NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS.

Does the Liquor-Licensed Drugstore (LLDS) have at least twenty percent (20%) of the applicant's gross annual income derived from the sale of food, during the prior twelve (12) month period?

The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 44, Article 4 or 3, C.R.S., and Liquor Rules. **Therefore, this application is approved.**

Local Licensing Authority for	Telephone Number	<input type="checkbox"/> Town, City	<input type="checkbox"/> County
Signature	Print	Title	Date
Signature	Print	Title	Date

DR 8498 (03/27/23)  
COLORADO DEPARTMENT OF REVENUE  
Liquor Enforcement Division  
PO Box 17087  
Denver CO 80217-0087  
Fax (303) 205-2341  
Phone (303) 205-2300

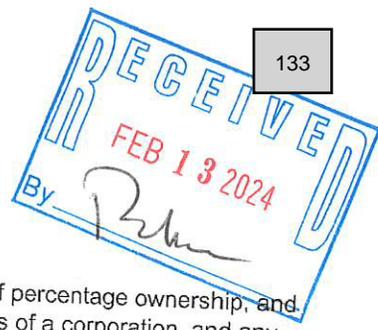
Fees Due	
Initial Application Fee	\$11.00
Renewal Fee	\$11.00

### Takeout and Delivery Permit Application & Renewal (On-Premises Applicants Only)

<input checked="" type="checkbox"/> Initial Application		<input type="checkbox"/> Renewal	
Corporate Business Name <i>The Flying Fork</i>		Trade Name (DBA) <i>The Flying Fork Cafe Restaurant</i>	Liquor License Number
Physical Address of Premises <i>101 <del>Main</del> 3rd street</i>		Suite/Unit Number	
City <i>Paonia</i>	County <i>Delta</i>	State <i>CO</i>	ZIP Code <i>81428</i>
Mailing Address (if different than Physical Address) <i>PO BOX 907</i>		Suite/Unit Number	
City <i>Paonia</i>		State <i>CO</i>	ZIP Code <i>81428</i>
Business Phone Number <i>970-527-9075</i>		Business Email Address <i>info@flyingforkcafe.com</i>	
1. Are you applying/renewing: <input type="checkbox"/> Delivery <input type="checkbox"/> Takeout <input checked="" type="checkbox"/> Both Takeout and Delivery			
2. You certify that the delivery of alcohol beverages shall only be made to a person TWENTY-ONE (21) years of age or older at the address specified in the order.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. You certify that the delivery must be made by the licensee or the licensee's employee who is at least TWENTY-ONE (21) years of age and is using a vehicle owned or leased by the licensee to make the delivery.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. You certify that the licensee's employee who delivers the alcohol beverages shall note and log at the time of delivery, the name and date of birth of the person the alcohol beverages are delivered to. Under no circumstances shall a person under TWENTY-ONE (21) years of age be permitted to receive a delivery of alcohol beverages.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. You understand that a licensee must derive no more than FIFTY (50) percent of its gross annual revenues from sales of alcohol beverages that the licensee delivers.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. Are you using a third party's ordering software to take orders?			<input type="checkbox"/> Yes <input type="checkbox"/> No
If you answered "Yes" to question number six (6) above, upload all documents concerning the agreement between the ordering service and the licensee. <b>Note - While a third party's ordering software may be used, physical delivery can only be accomplished by the licensee or the licensee's employee using a vehicle owned or leased by the licensee.</b>			
7. Have you verified with your local licensing authority that no local permits are required for takeout and delivery?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. Are you the applicant or an authorized agent of the business?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Name of the applicant or an authorized agent of the business <i>Jessica Catinella</i>		Title of the applicant or an authorized agent of the business <i>owner</i>	
Signature <i>[Signature]</i>		Date <i>2/10/2024</i>	

**Payment** (Please submit Payment in one of the following ways):

<p><b>Via mail with your application</b> P.O. Box 17087 Denver, CO 80217-0087</p>	<p><b>Via email to:</b> DOR_liqlicensing@state.co.us An email will be sent to you with directions on how to make a payment via our online payment portal.</p>
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## Individual History Record

To be completed by the following persons, as applicable: sole proprietors; general partners regardless of percentage ownership, and limited partners owning 10% or more of the partnership; all principal officers of a corporation, all directors of a corporation, and any stockholder of a corporation owning 10% or more of the outstanding stock; managing members or officers of a limited liability company, and members owning 10% or more of the company; and any intended registered manager of Hotel and Restaurant, Tavern and Lodging and Entertainment class of retail license

**Notice:** This individual history record requires information that is necessary for the licensing investigation or inquiry. All questions must be answered in their entirety or the license application may be delayed or denied. If a question is not applicable, please indicate so by "N/A". **Any deliberate misrepresentation or material omission may jeopardize the license application.** (Please attach a separate sheet if necessary to enable you to answer questions completely)

1. Name of Business <i>The Flying Fork Ltd.</i>	Home Phone Number <i>(970) 527-9075</i>	Cellular Number [REDACTED]
2. Your Full Name (last, first, middle) <i>Catinella Jessica M</i>	3. List any other names you have used <i>Jessica Gonzales</i>	
4. Mailing address (if different from residence)	Email Address <i>Jessica@flyingforkcafe.com</i>	

5. List current residence address. Include any previous addresses within the last five years. (Attach separate sheet if necessary)

Street and Number	City, State, Zip	From	To
Current: [REDACTED] HWY 133	Hotchkiss, CO 81419	6/2023	Present
Previous: [REDACTED]	Pueblo, CO 81005	8/22	6/23

6. List all employment within the last five years. Include any self-employment. (Attach separate sheet if necessary)

Name of Employer or Business	Address (Street, Number, City, State, Zip)	Position Held	From	To
Smith Fork Ranch	45361 Needle Rock Rd Crawford, CO 81415	housekeeping	8/23	10/23

7. List the name(s) of relatives working in or holding a financial interest in the Colorado alcohol beverage industry.

Name of Relative	Relationship to You	Position Held	Name of Licensee

8. Have you ever applied for, held, or had an interest in a Colorado Liquor or Beer License, or loaned money, furniture, fixtures, equipment or inventory to any licensee? (If yes, answer in detail.)  Yes  No

*yes I held a liquor license in 2008-2010 under Galileo's Restaurant LLC.*

9. Have you ever received a violation notice, suspension, or revocation for a liquor law violation, or have you applied for or been denied a liquor or beer license anywhere in the United States? (If yes, explain in detail.)  Yes  No

*An employee was discovered drinking on the premises after hours in 2009*

10. Have you ever been convicted of a crime or received a suspended sentence, deferred sentence, or forfeited bail for any offense in criminal or military court or do you have any charges pending? (If yes, explain in detail.)  Yes  No

11. Are you currently under probation (supervised or unsupervised), parole, or completing the requirements of a deferred sentence? (If yes, explain in detail.)  Yes  No

12. Have you ever had any professional license suspended, revoked, or denied? (If yes, explain in detail.)  Yes  No

**Personal and Financial Information**

Unless otherwise provided by law, the personal information required in question #13 will be treated as confidential. The personal information required in question #13 is solely for identification purposes.

13a. Date of Birth [redacted] b. Social Security Number [redacted] c. Place of Birth Glenwood Springs CO USA d. U.S. Citizen  Yes  No

e. If Naturalized, state where \_\_\_\_\_ f. When \_\_\_\_\_ g. Name of District Court \_\_\_\_\_

h. Naturalization Certificate Number \_\_\_\_\_ i. Date of Certification \_\_\_\_\_ j. If an Alien, Give Alien's Registration Card Number \_\_\_\_\_ k. Permanent Residence Card Number \_\_\_\_\_

l. Height 52" m. Weight 130 n. Hair Color BR o. Eye Color BR p. Gender F q. Do you have a current Driver's License/ID? If so, give number and state.  Yes  No # [redacted] State Colorado

14. Financial Information.

a. Total purchase price or investment being made by the applying entity, corporation, partnership, limited liability company, other. \$ 80,000

b. List the total amount of the personal investment, made by the person listed on question #2, in this business including any notes, loans, cash, services or equipment, operating capital, stock purchases or fees paid. \$ [redacted]

\* If corporate investment only please skip to and complete section (d)  
 \*\* Section b should reflect the total of sections c and e

c. Provide details of the personal investment described in 14b. You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment	Account Type	Bank Name	Amount
Cash	[redacted]	[redacted]	[redacted]
Services			

d. Provide details of the corporate investment described in 14 (a). You must account for all of the sources of this investment. (Attach a separate sheet if needed)

Type: Cash, Services or Equipment	Loans	Account Type	Bank Name	Amount

e. Loan Information (Attach copies of all notes or loans)

Name of Lender	Address	Term	Security	Amount

**Oath of Applicant**

I declare under penalty of perjury that this application and all attachments are true, correct, and complete to the best of my knowledge.

Authorized Signature [Signature] Print Signature Jessica Catinella Title owner/operator Date 2/8/24

3<sup>RD</sup>. STREET

ROOF

STORAGE  
8'X11'

DOOR

OFFICE  
11'X10'

WINE/LIQUOR  
Storage

DOOR

DOOR

S  
T  
A  
I  
R  
S

ROOF

LOUNGE  
AREA  
18'X11'

RESTROOM

DOOR

SERVICE AREA  
STORAGE  
8'X10'

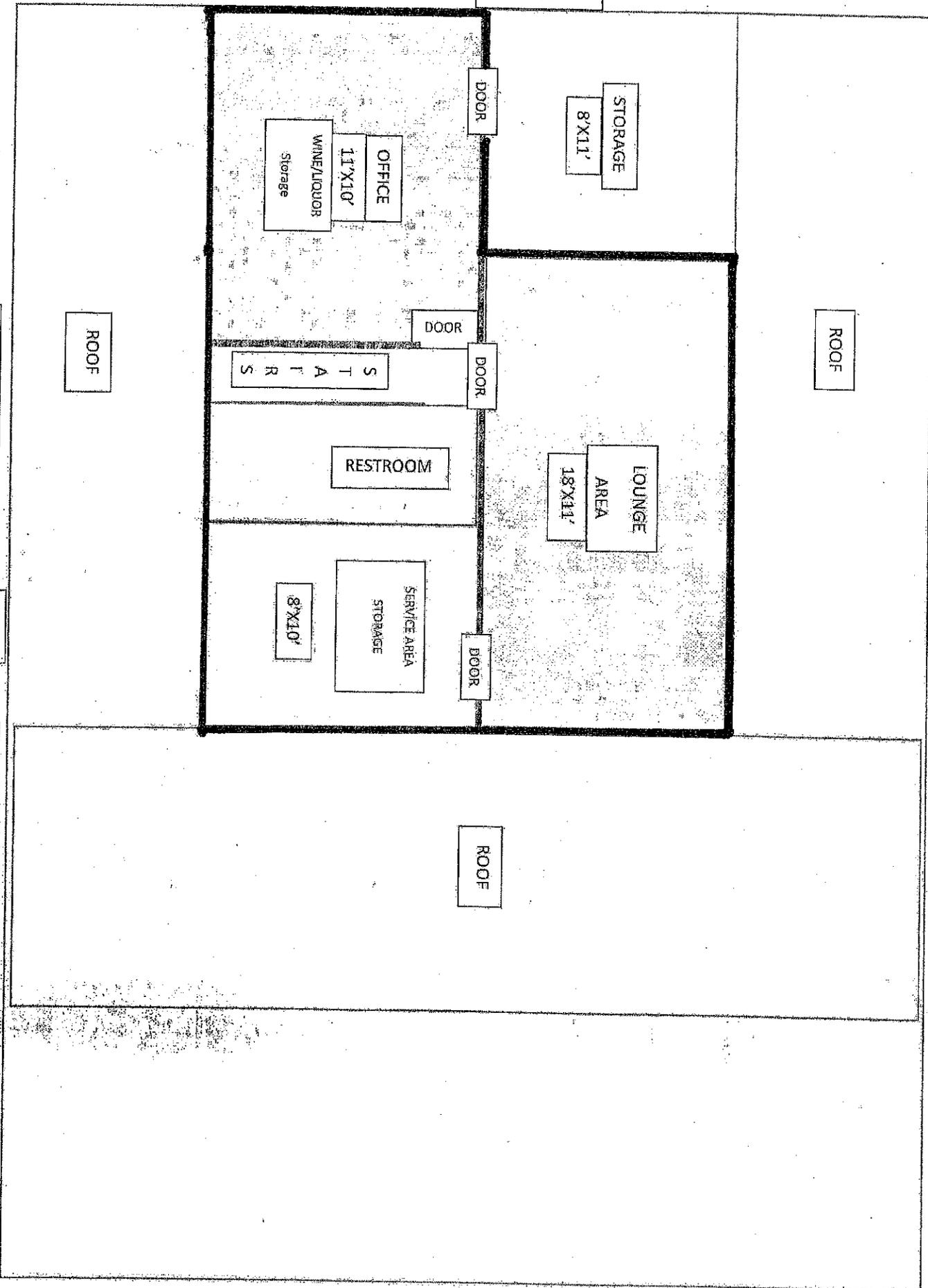
ROOF

MAIN. STREET

WEST

FLYING FORK 2<sup>ND</sup> FLOOR

FEBRUARY 22, 2020 - KLS





## Tax Check Authorization, Waiver, and Request to Release Information

I, Jessica Catinella am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Jessica Catinella The Flying Fork Ltd. the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

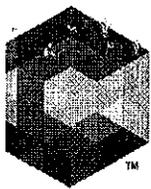
The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and its duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

Name (Individual/Business) <u>The Flying Fork Ltd.</u>		Social Security Number/Tax Identification Number [REDACTED]	
Address <u>101 3rd Street</u>			
City <u>Paonia</u>		State <u>CO</u>	Zip <u>81428</u>
Home Phone Number <u>719 458 5940</u>		Business/Work Phone Number <u>970-527-9075</u>	
Printed name of person signing on behalf of the Applicant/Licensee <u>Jessica Catinella</u>			
Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>[Signature]</u>			Date signed <u>3/4/2024</u>

### Privacy Act Statement

Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).



**Articles of Organization for a Limited Liability Company**

filed pursuant to § 7-90-301 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

**The domestic entity name of the limited liability company is** The Flying Fork Ltd.

**The principal office street address is** 101 Main Street  
Paonia CO 81428  
US

**The principal office mailing address is** PO Box 1825  
Paonia CO 81428  
US

**The name of the registered agent is** Jessica Marie Catinella

**The registered agent's street address is** 101 Main Street  
Paonia CO 81428  
US

**The registered agent's mailing address is** PO Box 1825  
Paonia CO 81428  
US

The person above has agreed to be appointed as the registered agent for this entity.

**The management of the limited liability company is vested in** Members

There is at least one member of the limited liability company.

**Person(s) forming the limited liability company**

Jessica Marie Catinella  
38721 Highway 133  
Hotchkiss CO 81419  
US

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., and, if applicable, the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

This primary notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

**Name(s) and address(es) of the individual(s) causing the document to be delivered for filing**

Jessica Marie Catinella  
38721 Highway 133

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- Filing history and documents
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## Summary

- Business Home
- Business Information
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FAQs, Glossary and Information

Details			
Name	The Flying Fork Ltd.		
Status	Good Standing	Formation date	02/05/2024
ID number	20241157943	Form	Limited Liability Company
Periodic report month	February	Jurisdiction	Colorado
Principal office street address	101 Main Street, Paonia, CO 81428, US		
Principal office mailing address	PO Box 1825, Paonia, CO 81428, US		

Registered Agent	
Name	Jessica Marie Catinolla
Street address	101 Main Street, Paonia, CO 81428, US
Mailing address	PO Box 1825, Paonia, CO 81428, US

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Mailing address: PO Box 1825, Paonia, CO 81428, US

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

The Flying Fork Ltd.

is a

Limited Liability Company

formed or registered on 02/05/2024 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20241157943 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 02/02/2024 that have been posted, and by documents delivered to this office electronically through 02/05/2024 @ 13:24:53 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 02/05/2024 @ 13:24:53 in accordance with applicable law. This certificate is assigned Confirmation Number 15723972



*Jena Griswold*

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*

Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

# OPERATING AGREEMENT LIMITED LIABILITY COMPANY (LLC)

**THIS OPERATING AGREEMENT** (the "Agreement") is being made and entered into on 02/05/2024, by and between the signatories below (the "Members") for the purpose of creating a limited liability company which shall be formed and operated under the Limited Liability ACT of the State of Colorado. This agreement shall become effective on the date of signing as adopted by the Members appearing at the end of this Agreement.

**IN CONSIDERATION OF** the mutual promises and covenants of the parties hereto and other good and valuable consideration, receipt and adequacy of which is hereby acknowledged, it is mutually agreed by and between the Members hereto as follows:

## FORMATION

**COMPANY FORMATION:**

The Company was formed on 02/05/2024 upon filing with the Secretary of State of Colorado the Articles of Organization of the Company. In consideration of the mutual promises and covenants contained herein, the Members hereto agree that their rights and obligations and the administration and termination of the Company shall be governed by this Agreement, the Articles of Organization, and the Limited Liability ACT (herein after referred to as the "ACT").

**NAME:**

The business and all affairs of the Company shall be conducted under the name of The Flying Fork Ltd. (the "Company" or "LLC"). The name of the Company may be changed from time to time by amendment of this Agreement and/or the Articles of Organization. The Company may conduct business under an assumed name by filing an 'Assumed Name Certificate' in the manner prescribed by applicable state law.

**REGISTERED OFFICE:**

The Registered Office or Headquarters and Registered Agent of the Company shall be as follows:

101 3rd St  
Paonia, Colorado 81428

Registered Agent: Jessica Catinella

The Registered Agent and/or Office or Headquarters of this LLC may be changed from time to time as may be deemed fit or necessary, by and through the filing of a change of registered agent or office statement with the state of Colorado filing office. Amendment of this provision of this Operating Agreement shall not be necessary if and when such changes occur.

**BUSINESS PURPOSE AND POWERS:**

The Company may engage in any lawful business for which limited liability companies may be organized under the ACT unless a more limited purpose is stated in the Articles of Organization.

The Company shall have any and all powers which are necessary or desirable to carry out the purposes and business of the Company, to the extent the same may be legally exercised by limited liability companies under the ACT. The Company shall carry out the activities pursuant to the arrangements set forth in the Articles of Organization and this Agreement.

Any other specific business purposes and activities contemplated by the founder of this Agreement, and which were not contained within the Articles of Organization at the initial signing of said Articles, shall be included herein, acknowledged and agreed to as follows:

LLC shall be involved in Restaurant or may be changed from time to time as may be deemed fit or necessary by amendment of this Agreement and/or the Articles of Organization.

*BE IT KNOWN* that the foregoing statement of powers shall not serve as a limitation on the powers, authority, or abilities of this LLC, with which they shall be permitted to engage in any and all lawful business activities. In the event that the LLC should engage in any business activities outside the State of its formation that would require the qualification of the LLC in other states, it shall obtain said qualifications before engaging in any such out-of-state activities.

**LLC DURATION:**

The duration of this Agreement shall be perpetual and shall terminate only when a proposal to dissolve the LLC is adopted by all Members of the LLC or when this LLC is otherwise terminated pursuant to current state or federal laws.

**NATURE OF MEMBERS' INTEREST:**

The interests of the Members in the Company shall be personal property for all purposes. Legal title to all Company assets shall be held in the name of the Company. Neither any Member nor a successor, representative, or assign of such Member shall have any right, title, or interest in or to any Company property or the right to partition any real property owned by the Company. Interests may be evidenced by a certificate of Membership issued by the Company, in such form as the Managers may determine.

**MAJORITY**

Majority will be defined as 50% of the Managers or as 50% plus 1 in the event of a tie or an even number of Managers.

**MEMBERS**

**MEMBER NAMES AND ADDRESSES:**

The Members of the Company (jointly the "Members") and their Membership Interest in the same at the time of adoption of this Agreement are as stated in the attached Schedule A and

shall be made part of this Agreement. Said Schedule shall be amended by the Company as of the effectiveness of any transfer or subsequent issuance of any Membership Interest.

**MEMBER ADMISSION:**

In the event that an individual acquires a Membership Interest directly from the Company, the individual shall then become a Member only upon compliance with the requirements included in this Agreement and making the Capital Contributions specified under 'Capital Contributions,' if any. Any person may become a Member upon compliance with this section unless such individual lacks capacity or is otherwise prohibited from being admitted by applicable law.

**MANAGERS**

**MANAGEMENT:**

The Managers shall manage the business and affairs of the Company. In addition to the powers and authority expressly conferred by this Agreement upon the Managers, the Managers shall have full and complete authority, power, and discretion to manage and control any and all other acts or activities customary to or related to the management of the Company's business, except only as to those activities which require approval by the Members as stated herein or as required by the Articles of Organization, this Agreement or amendments hereto, the Act, or other applicable law.

In the event when there is more than one Manager present (i) any one Manager may take any action permitted to be taken by the Managers, unless the approval of more than one of the Managers is expressly required pursuant to this Agreement; and (ii) the Managers may elect one or more officers who may, but need not, be Members or Managers of the Company with such titles, duties, and compensation as may be designated by the Managers, subject to any applicable restrictions which may be provided within this Agreement.

**NUMBER OF MANAGERS AND QUALIFICATIONS:**

Each Member shall designate by corporate resolution one or more individuals authorized to act on their behalf in the management of the Company. The names and consent of the Managers to serve as such shall be evidenced under Formation of the Company, and made a part hereof, or as amended upon any change of Managers. The number of Managers within the Company may be fixed from time to time by the affirmative vote of a 'Majority Interest' of all the Members, but in no instance shall any decrease in the number of Managers have the effect of shortening the term of any incumbent Manager. Managers need not be residents of the State of Colorado or Members of the Company. A list of current Managers is attached hereto as Schedule B.

**ELECTION AND TERM OF OFFICE:**

Managers shall be elected at the annual meeting of the Members. Each Manager shall hold office until the Manager's successor shall have been elected and qualified, or until the death or dissolution of such Manager, or until his or her resignation or removal from office in the manner provided in this Agreement.

**RESIGNATION:**

Any Manager of the Company may resign at any time by giving written notice to all of the Members of the Company. The resignation of any Manager shall take effect upon receipt of the notice thereof or at such time as shall be specified within said notice, unless otherwise specified therein, the Acceptance of said resignation shall not be necessary to make said resignation effective.

**REMOVAL:**

At any special meeting of the Members which has been called expressly for a removal purpose, all or any Manager may be removed at any time, either with or without cause, by the affirmative vote of a Majority Interest of all the Members then entitled to vote at any such election of Managers.

**VACANCIES:**

Any vacancy occurring for any reason in the Managers of the Company may be filled by the affirmative vote of a Majority of Managers, except for a vacancy occurring in the Managers by reason of any increase in the number of Managers, which shall be filled by the affirmative vote of a Majority Interest of all Members at an annual meeting or at a special meeting of Members called for that purpose.

**REVIEW OF RECORDS AND BOOKS:**

Any Manager shall have the right to examine all books and records of the Company for a purpose reasonably related to such Manager's position as a Manager.

**COMPENSATION:**

The compensation of the Managers of the Company shall be fixed by an affirmative vote of a Majority Interest of the Members or by contract approved by an affirmative vote of a Majority Interest of the Members. No Manager shall be denied or prevented from receiving such salary by reason of the fact that s/he is also a Member of the Company.

**COMMITTEES:**

The Managers, by resolution, may designate from among the Managers one or more committees, each of which shall be comprised of one or more of the Managers, and may designate one or more of the Managers as alternate members of any committee, who may, subject to any limitations imposed by the Managers, replace absent or disqualified Managers at any Meeting of that committee. Any such committee, to the extent provided in such resolution or herein contained within this Agreement, shall have and may exercise all of the authority of the Managers, subject to any restrictions contained within this Agreement.

## MEMBER MEETINGS

**MEMBER ANNUAL MEETINGS:**

An annual meeting of the Members shall be held at such time and date at the principal office of the Company or at such other place within or outside of the State of Colorado as shall be designated by the Managers from time to time and stated in the notice of the meeting. The purposes of the annual meeting need not be enumerated within the notice of such meeting.

**SPECIAL MEETINGS:**

Special Meetings of the Members may be called by the Managers or by the holders of not less than ten percent (10%) of all the Membership Interests. Business transacted at all special meetings shall be restricted to the purpose or purposes which were stated within the notice provided.

**MEETING NOTICE TO MEMBERS:**

Written notice stating the place, day, and hour of the meeting and, in the case of special meetings, stating the meeting to take place at the principal place of business of the Company as the location, and the purpose or purposes for which the meeting is called, shall be delivered no less than days prior to the date of the scheduled meeting and to each Member of record entitled to vote at said meeting.

**RECORD DATE:**

For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which such distribution is declared, as the case may be, shall be the record date for such determination. When a determination of Members entitled to vote at any meeting has been made as provided in this Section, such determination shall apply to any adjournment thereof.

**QUORUM:**

A Majority Interest of the Members shall constitute a quorum at all meeting of the Members, except as otherwise provided by law or this Agreement. Once a quorum is present at the meeting of the Members, the subsequent withdrawal from the meeting of any Member prior to adjournment or the refusal of any Member to vote shall not affect the presence of a quorum at the meeting. In the event that the required quorum is not present at the opening of any meeting of the Members, the Members entitled to vote at such meetings shall have the power to adjourn the meeting without notice other than announcement at the meeting, until the holders of the requisite amount of Membership Interests shall be present or represented.

**ACTIONS BY MEMBERS – OTHER THAN ELECTION OF MANAGERS:**

Except for a matter for which the affirmative vote of the holders of a greater portion of the Membership Interests entitled to vote is required by law, the ACT, or this Agreement or amendments hereto, the act of Members shall be the affirmative vote of a Majority Interest of all the Members represented and voting at the meeting. All actions of the Members provided for herein may be taken by written consent without a meeting. Any such action which may be taken by the Members without a meeting shall be effective only if the consents are in writing and signed by all Members eligible to vote on such action. Members may participate in any meeting of the Members by means of a conference telephone, web conference, or similar communications equipment, provided all persons participating in the meeting can hear one another, and such participation in a meeting shall constitute presence in person at the meeting.

**REQUIRED UNANIMOUS CONSENT:**

Notwithstanding anything to the contrary contained in the ACT or this Agreement, the following matters must be agreed to unanimously by all Members of the Company:

- (a) To create or allow to subsist any fixed or floating charge, lien, or other encumbrance over the whole or any part of the undertaking, property, and assets of the Company, except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary course of business;
- (b) To borrow any sum except from the Company's bankers in the ordinary course of business;
- (c) To enter into any partnership or profit sharing agreement with any person;
- (d) To make any change in the nature of business;
- (e) Or any other matter which may be changed from time to time as may be deemed fit or necessary by amendment of this Agreement and/or the Articles of Organization.

**QUALIFIED MAJORITY CONSENT:**

Notwithstanding anything else to the contrary contained within the Articles of Organization or this Agreement, the following matters must be agreed to by a majority vote of at least 100 percent of the Members of the Company:

- (a) To make any loan, other than by way of deposit with a clearing bank or other institution in which normal business would include the acceptance of deposits, advances, or give any credit other than normal trade credit;
- (b) To give any guarantee or indemnity to secure the liabilities or obligations of any person other than a subsidiary of the Company;
- (c) To sell, transfer, lease, assign, or otherwise dispose of a material part of the undertaking, property, and/or assets of the Company or any such subsidiary, or any interest therein, or contract to do so, other than the sale of products in the ordinary course of business;
- (d) To take, grant, or agree to take or grant any leasehold interest in or license over any land;
- (e) To acquire, purchase, or subscribe for any shares, debentures, mortgages, or securities, or any interest therein, in any company, trust, or other body;
- (f) To initiate any litigation other than for the purpose of the collection of debts in the ordinary course of business or arbitration;
- (g) To change the auditors, accounting firm, or bankers of the Company;

- (h) To make or give any claim, disclaimer, election, or consent for taxation purposes;
- (i) To undertake anything which would require accounting treatment by way of provision reserve or extraordinary item;
- (j) To effect any material change in the Company's accounting or reporting practices;
- (k) Or any other matter which may be changed from time to time as may be deemed fit or necessary by amendment of this Agreement and/or the Articles of Organization.

**MEMBER ACTION TO ELECT MANAGERS:**

For the purpose of voting on the election of Managers, Managers shall be elected at any meeting of the Members at which a quorum is present by a plurality of the Membership Interest represented and voting at the meeting.

**MEMBERS ENTITLED TO VOTE:**

At least 0 days prior to each meeting of Members, the Managers shall compile a complete listing of all Members entitled to vote at such meeting or any adjournment of such meeting. The listing shall be arranged in alphabetical order by last name, with the address and the Membership Interest held by each. This list shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection of any Member during the whole time of the meeting. However, failure to comply with the requirements of this Section shall not affect the validity of any such action taken at such meeting.

**REGISTERED MEMBERS:**

The Company shall be entitled to treat the holder of record of any Membership Interest as the holder in fact of such Membership Interest for all purposes, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such Membership Interest on the part of any person, whether or not it shall have express or other notice of such claim or interest, except as expressly provided by this Agreement or the laws of the State of Colorado.

## MANAGER MEETINGS

**MEETING PLACE AND NOTICE:**

The Managers of the Company may hold their meetings, both regular and special, at any place within or outside of the State of Colorado, provided 1 weeks' advance written notice is delivered to all required parties.

**QUORUM; VOTING; ACTION ALLOWABLE WITHOUT A MEETING:**

A Majority of the Managers shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a Majority of the Managers present at a meeting at which a quorum is present shall be regarded as the act of the Company, unless a greater number is required by law or by the ACT.

Managers may participate in any meeting of the Managers by means of conference telephone, web conference, or similar communication, provided all person participating in the meeting can hear one another. Such participation in a meeting via conferencing shall constitute the presence of said person at the meeting.

All votes required of Managers hereunder may be by voice unless a written ballot is requested. Said request may be made by any one Manager.

Any action which under any provision of this Agreement is to be taken at or during a meeting of the Managers may be taken without a meeting by written consent and signed by all Managers who would be entitled to vote upon such action at a meeting. Said written consent must be kept with the records of the Company.

**ADJOURNMENT:**

A majority of the Managers present may adjourn any Managers meeting to meet again at a stated day and hour or a fixed schedule for the next regular meeting of the Managers.

**LIMITATION OF LIABILITY & INDEMNIFICATION OF MANAGERS AND MEMBERS**

**LIMITATION OF LIABILITY:**

Managers and Members of the Company shall be held harmless and not liable to the Company or its Members for any monetary damages or an act or omission in their capacity as a Manager or a Member, except as provided in the ACT for (i) acts or omissions which a Manager knew or was aware of at the time when the act(s) or omission(s) were clearly in conflict with the interests of the Company, (ii) any transaction from which a Manager derived an improper personal benefit, or (iii) acts or omissions occurring prior to the date this provision becomes effective. If the laws, the ACT, or this Agreement are amended to authorize action further eliminating or limiting the liability of Managers and Members, then the liability of a Manager or Member of the Company shall be eliminated or limited to the fullest extent permitted by law, the ACT, and/or this Agreement as so amended. Any repeal or modification of this section shall not affect the right of protection of a Manager or Member existing at the time of such repeal or modification.

**INDEMNIFICATION:**

The Company shall indemnify the Managers and Members to the fullest extent permitted or required by the law, the ACT, and this Agreement as may be amended from time to time, and the Company may advance expenses incurred by the Manager or Member upon the approval of the Managers and the receipt by the Company of an undertaking by such Manager to reimburse the Company unless it shall ultimately be determined that such Manager or Member is entitled to be indemnified by the Company against such expenses. The Company may also indemnify its employees and other representatives or agents up to the fullest extent permitted under the law, the ACT, or this Agreement, provided that the indemnification in each such situation is first approved by Members owning or holding a Majority Interest.

**OTHER RIGHTS:**

The indemnification provided by this Agreement shall: (i) be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, agreement, vote of Members or disinterested Managers, or otherwise, both as to action in official capacities and as to action in another capacity while holding such office; (ii) continue as to a person who ceases to be a Manager or Member; (iii) inure to the benefit of the estate, heirs, executors, administrators, or other successors of an indemnitee; and (iv) not be deemed to create any rights for the benefit of any other person or entity.

**MEMBER REPORTS:**

The details concerning any action to limit the liability of, indemnify, or advance expenses to a Manager, Member, or other taken by the Company shall be reported in writing to the Members with or before the notice or waiver of notice of the next Member's meeting, or with or before the next submission to Members of a consent to action without a meeting, or, if sooner, separately within 1 days immediately following the date of action.

**CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS, AND LOANS****LOANS, CAPITAL CONTRIBUTIONS:**

Upon execution of this Agreement, each Member agrees to contribute cash, or other form of capital, to the Company in the amount set forth as the Initial Capital Contribution of such Member as per the attached Schedule A – Capital Contributions. No Member shall be paid interest on any capital contribution to the Company.

If the Managers determine that the Initial Capital Contributions are insufficient to carry out the purposes of the Company, the Managers may request that the Members make additional contributions to the capital of the Company. If a Majority Interest of the Members approve such a request, then each of the Members shall be obligated to make such prorated or apportioned additional contributions to the Company in accordance with such Members' then existing Membership Interest within the time period approved by the Majority Interest of the Members. In the event any Member fails to fulfill any commitment to contribute additional capital (the "Defaulting Member"), the Managers may elect to allow the remaining Members (the "Lending Members") to contribute to the Company pro rata by Membership interest any such additional capital contribution. All amounts so contributed by the Lending Members, shall be considered a loan to the Defaulting Member bearing interest at the "U.S. prime rate" or the "Wall Street Journal (WSJ) prime rate" established on the date of the loan, plus 0% simple interest, until repaid. In addition, until all such loans are repaid by the Defaulting Member, all distributions from the Company which would have been paid to the Defaulting Member shall then be paid to the Lending Members in proportion to the then outstanding interest and principal of such loans.

In addition to the loans to the Defaulting Member provided for in the aforementioned paragraph, upon approval of the terms thereof by the Managers, any Member may make a loan to the Company upon commercially reasonable terms. Loans by a Member to the Company shall not be considered Capital Contributions.

**CAPITAL ACCOUNTS:**

The Company shall maintain a separate capital account (the "Capital Account") for each member pursuant to the principles set forth in this paragraph and the Internal Revenue Service Treasury section § 1.704-1(b)(2)(iv). The Initial Capital Account of each Member shall be the amount of the subsequent Capital Contribution of such Member. Said Capital Account shall be increased by (i) the amount of the subsequent Capital Contributions of said Member to the Company pursuant to section "Capital Contributions; Capital Accounts; and Loans," and (ii) said Member's allocable share of Company Income and Net Income pursuant to section titled "ALLOCATIONS, DISTRIBUTIONS, ELECTIONS AND REPORTS." Such Capital Account shall be decreased by the (i) amount of cash distributed to the Member by the Company pursuant to section "ALLOCATIONS, DISTRIBUTIONS, ELECTIONS AND REPORTS" and (ii) such Member's allocable share of Loss and Net Loss pursuant to section "ALLOCATIONS, DISTRIBUTIONS, ELECTIONS AND REPORTS."

The provisions of this section and other portions contained in this Agreement relating to the proper maintenance of Capital Accounts are designed to comply with the requirements of the Internal Revenue Service Treasury section § 1.704-1(b). The Members intend that such provisions be interpreted and applied in such a manner that is consistent with said Treasury Regulations. The Managers are authorized to modify the manner in which the Capital Accounts are maintained if the Managers determine that such modification (i) is required or prudent to comply with the Treasury Regulations, and (ii) is not likely to have a material effect on the amounts distributable to any Member upon the dissolution of the Company.

**MEMBERS WITHDRAWAL OR REDUCTION OF CONTRIBUTION TO CAPITAL:**

No Member shall have the right to withdraw all or any part of its Capital Contribution or to receive any return on any portion of its Capital Contribution, except as may be otherwise specifically provided in this Agreement. In the case involving a return of any Capital Contribution, no Member shall have the right to receive property or disbursement other than cash. No Member shall have priority over any other Member, either as to the return of Capital Contribution or as to Net Income, Net Loss, or distributions; provided that this subsection shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

**LIABILITY OF MEMBERS:**

No Member shall be liable for the debts, liabilities, or obligations of the Company beyond his/her or their respective Initial Capital Contribution and any additional Capital Contribution required of such Member pursuant to the aforementioned sections. Except as otherwise expressly provided herein, no Member shall be required to contribute to the capital of, or to loan any funds to, the Company.

**ALLOCATIONS, DISTRIBUTIONS, ELECTIONS AND REPORTS****ALLOCATIONS:**

Subject to the following provisions, for the purpose of maintaining Capital Accounts and in determining the right of the Members among themselves, Net Income or Net Loss, if any, for a Fiscal Year or other period, shall be allocated to the Members in proportion to their respective

Membership Interests after giving effect to all Capital Account adjustments attributable to contributions and distributions of cash and property made during such Fiscal Year. In the event any Member unexpectedly receives any adjustments, allocations, or distributions contained and described within the Internal Revenue Service Treasury Regulation Sections §1.704-1(b)(2)(ii)(d)(4), §1.704-1(b)(2)(ii)(d)(5), or §1.704-1(b)(2)(ii)(d)(6), items of Income shall be specifically allocated to such Member (consisting of a pro rata portion of each item of Company Income, including gross income, for such year) in an amount and manner sufficient to eliminate such deficit, if any, in such Member's Adjusted Capital Account, as quickly as possible. The foregoing provision is intended to constitute a "qualified income offset" within the meaning of section of §1.704-1(b)(2)(ii)(d) of the Treasury Regulations, and this provision shall be interpreted consistently with said Treasury Regulation.

**DISTRIBUTIONS:**

The Managers shall allocate and/or dispense Distributable Cash and other property at such times and in such amounts as they may determine within their sole discretion. All disbursements of Distributable Cash or other property shall be made to the Members in proportion to their respective Membership Interests. Except as provided below, all disbursements of Distributable Cash and/or property shall be made at such time as determined by the Managers.

**LIMITATION OF DISTRIBUTIONS:**

No distribution shall be declared and paid if payment of such distribution would cause the Company to violate any limitation of distributions provided under the law, the ACT, or this Agreement.

**ALLOCATIONS FOR TAX PURPOSES:**

Except as otherwise provided herein, each item of Income, Net Income, or Net Loss of the Company shall be allocated to the Members in the same manner as such allocations are made for book purposes pursuant to previous paragraphs contained within this section. In the event of a transfer of, or other change in, an interest in the Company during a Fiscal Year, each item of taxable income and loss shall be pro-rated in accordance with the U.S. Internal Revenue Code §706 – Taxable years of partner and partnership, using any convention permitted by law and selected by the Managers.

**TAX STATUS, ELECTIONS, AND MODIFICATIONS REGARDING ALLOCATIONS:**

Notwithstanding any provision contained within this Agreement to the contrary, solely for federal income tax purposes, each of the Members hereby recognizes that the Company shall be subject to all provisions of the U.S. Internal Revenue Code Subchapter X; provided, however, that the filing of all required returns thereunder shall not be construed to extend the purposes of the Company or expand the obligations or liabilities of the Members.

The Managers, in their sole discretion, may cause the Company to elect pursuant to U.S. Internal Revenue Code Section 754 and the Treasury Regulations to adjust the basis of the Company assets as provided by Section 734 or 743 of the Code and the Treasury Regulations thereunder. The Company shall make such elections for Federal income tax purposes as may be determined by the Managers, acting in their sole and absolute discretion.

The Managers shall prepare and execute any amendments to this Agreement necessary for the Company to comply with the provisions of the Treasury Regulations Sections §1.704-1(b), §1.704-1(c) and §1.704-2 upon the occurrence of any of the following events: (i) incurring any liability which constitutes a "non-recourse liability" as defined within the Treasury Regulation Section §1.704-2(b)(3) or a partner non-recourse debt as defined within the Treasury Regulation Section §1.704-2(b)(4); (ii) a constructive termination of the Company pursuant to U.S. Code Section §708(b)(1)(B); or (iii) the contribution or distribution of any property, other than cash, to or by the Company.

**PARTNER TAX MATTERS:**

The Managers shall designate a Member serving as a Manager, or if there is none, or if none are eligible or able to act, any Member, as the "tax matters partner for federal income tax purposes." The tax matters partner is authorized and required to represent the Company in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The tax matters partner shall have the final decision making authority with respect to all Federal income tax matters involving the Company. The Members agree to cooperate with the tax matters partner and to do or refrain from doing any or all things reasonably required by the tax matters partner to conduct such proceeding. Any direct out-of-pocket expense incurred by the tax matters partner in carrying out his/her or their obligations hereunder shall be allocated to and charged to the Company as an expense of the Company for which the tax matters partner shall be reimbursed.

**RECORDS AND REPORTS:**

At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep and maintain its records, as required by law, the ACT, and this Agreement, at the principal place of business.

**ACCOUNT BOOKS:**

The Company shall maintain the Company's books and records and shall determine all items of Income, Loss, Net Income, and Net Loss in accordance with the method of accounting selected by the Managers, consistently applied. All of the records and books of account of the Company, in whatever form maintained, shall at all times be maintained at the principal office of the Company and shall be open to the inspection and examination of the Members or their representatives during reasonable business hours. Such right may be exercised through any agent or employee of a Member designated by it or by an attorney or independent certified public account designated by such Member. Such Member shall bear all expenses incurred in any examination made on behalf of such Member.

All expenses in connection with the keeping of the books and records of the Company and the preparation of audited or unaudited financial statements required to implement the provisions of this Agreement or otherwise needed for the conduct of the Company's business shall be borne by the Company as an ordinary expense of its business.

**COMPANY TAX RETURN AND ANNUAL STATEMENT:**

The Managers shall cause the Company to file a Federal income tax return and all other tax returns required to be filed by the Company for each Fiscal Year or part thereof, and shall provide to each person who at any time during the Fiscal Year was a Member with an annual statement (including a copy of Schedule K-1 to Internal Revenue Service Form 1065) indicating such Member's share of the Company's income, loss, gain, expense and other items relevant for Federal income tax purposes. Such annual statement may be audited or unaudited as required by the Managers.

**BANK ACCOUNTS:**

The bank account or accounts of the Company shall be maintained in the bank approved by the Managers. The terms governing such accounts shall be determined by the Managers and withdrawals from such bank accounts shall only be made by such parties as may be approved and authorized by the Managers.

**TRANSFERABILITY OF MEMBERSHIP INTERESTS AND ADMISSION OF MEMBERS**

**TRANSFERABILITY OF MEMBERSHIP INTERESTS:**

The term "transfer" when used in this Agreement with respect to a Membership Interest includes a sale, assignment, gift, pledge, exchange, or other disposition. A Member shall not at any time transfer its Membership Interest except in accordance with the conditions and limitations established and contained within the section regarding "Restrictions on Transfer of Membership Interests." Any transferee of a Membership Interest by any means shall have only the rights, powers, and privileges set out within the section regarding "Transferee Rights," or otherwise provided by law and shall not become a Member of the Company except as provided within the section regarding "Admission of Transferees as Members."

**RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS:**

All or part of a Membership Interest may be transferred only with the prior written approval of a Majority of the Managers, which approval may be granted or denied at the sole discretion of the Managers. The Managers shall not so consent unless the proposed transferee shall have furnished the Company with an opinion of counsel, satisfactory in form and substance to such Managers, that neither the offering nor the proposed transfer will violate any Federal or applicable state securities law and that neither such offering or proposed transfer will not adversely affect the Company from being taxed as a Corporation for Federal income tax purposes.

**RIGHTS OF TRANSFEREE:**

Unless and until admitted as a Member of the Company in accordance within the section regarding "Admission of Transferees as Members," the transferee of a Membership Interest shall not be entitled to any of the rights, powers, or privileges of a Member, except that the transferee shall be entitled to receive the distributions and allocations to which the Member would be entitled but for the transfer of his/her or their Membership Interest.

**ADMISSION OF TRANSFEREES AS MEMBERS:**

A transferee of a Membership Interest may be admitted as a Member of the Company only upon furnishing to the Company all of the following:

- The written consent of all current Members;
- The Acceptance, in a form satisfactory to a Majority of the Managers, of all the terms and conditions of this Agreement; and
- Payment of such reasonable expenses as the Company may incur in connection with his/her or their admission as a Member.

**ADMISSION OF NEW MEMBERS:**

New Members to the Company may only be admitted with the unanimous consent of the Members, upon compliance with all terms specified by the Managers and upon receipt by the Company of an opinion of counsel, satisfactory in form and substance to a Majority of the Managers, that neither the offering nor the proposed sale of the Membership Interest will violate any Federal or applicable state securities law and that neither such offering or sale will adversely affect the Company from being taxed as a Corporation for Federal income tax purposes.

**BUY/SELL RIGHTS AMONG MEMBERS:**

Members of the Company may offer to any other Member the opportunity to buy such Offeror's Members interest or to purchase such Offeree Member's interest, in the Company. Any Member (the "Offeror Member") may give a Buy/Sell Notice to one or more of the other Members (the "Offeree Member(s)"). For the purposes of the section, a "Buy/Sell Notice" means a notice in writing by the Offeror Member containing both (i) an offer by the Offeror Member to purchase all, but not less than all, of the Membership Interest beneficially owned by the Offeree Member(s) (the "Purchase Offer"), and (ii) an offer by the Offeror Member to sell to the Offeree Member(s) all, but not less than all, of the Membership Interest owned by the Offeror Member (the "Sale Offer").

Upon a Buy/Sell Notice being received by the Offeree Member(s) and pending completion of the transactions contemplated therein, none of the Members shall do or cause to be done or permit the Company to do anything except in the ordinary course of business of the Company.

The Buy/Sell Notice shall stipulate a price for the Membership Interest to be purchased and shall also contain such other terms and conditions as are necessary or appropriate in connection with the transactions contemplated therein, provided that none of such terms and conditions shall conflict in any way with the provisions of this Agreement. The terms of the Purchase Offer or Sale Offer shall be the same as to the other, proportionate to the size of the Membership Interest to be purchased or sold.

The Offeree Member(s) shall have 7 days from the date on which the Buy/Sell Notice is received to accept either of the offers contained therein, when (i) any of the Offeree Member(s) may accept the Purchase Offer by giving to the Offeror Member, within the time prescribed, an Acceptance in writing (the "Acceptance") executed by the Offeree Member(s); (ii) any of the Offeree Member(s) may accept the Sale Offer by giving to the Offeror Member, within the time prescribed, a notification in writing (the "Notification") executed by the

Offeree Member(s); any Offeree Member(s) who fails or refuses to give either an Acceptance or a Notification to the Offeror Member(s), within the time prescribed, shall be deemed to have given an Acceptance to the Offeror Member(s).

These provisions shall apply to any Acceptance, Notification, or deemed Acceptance of the Buy/Sell Notice when (i) in the event the Offeree Member(s) give or are deemed to have given an Acceptance, within the time prescribed, each Offeree Member(s) shall be obligated to sell all of its Membership Interest in the Company beneficially owned by such Offeree Member(s) to the Offeror Member(s), who then shall be obligated to purchase such shares; (ii) in the event all of the Offeree Member(s) give a Notification to the Offeror Member, within the time prescribed, each Offeree Member shall purchase from the Offeror Member and the Offeror Member shall be obligated to sell to the Offeree Member all Membership Interest in the Company beneficially owned by the Offeror Member pro rata, in the proportion to the Membership Interest owned by each Offeree Member(s) in relation to the total Membership Interests owned by all Offeree Member(s); and (iii) in the event some, but not all, of the Offeree Member(s) give a Notification to the Offeror Member and some, but not all, of the Offeree Member(s) give an Acceptance to the Offeror Member within the time prescribed, those Offeree Member(s) who gave a Notification to the Offeror Member shall be required to purchase, from the Offeror Member and from those Offeree Member(s) who gave an Acceptance, all Membership Interest in the Company beneficiary owned by the Offeror Member and owned by those Offeree Member(s) who gave an Acceptance. Each of the Offeror Member and those Offeree Member(s) who gave an Acceptance shall be obligated to sell all of their Membership Interest in the Company to those Offeree Member(s) who gave a Notification. If more than one Offeree gives a Notification, such Offeree Member(s) shall purchase such Membership Interest in the Company pro rata in the proportion with the amount of Membership Interest in the Company owned by each such Offeree Member(s) bears to the total Membership Interests owned by all such Offeree Member(s). An Offeror Member shall not be entitled to purchase Membership Interests in the Company owned by some of the Offeree Member(s) and sell his/her or their Membership Interest in the Company to others of the Offeree Member(s).

Upon the formation of a contract by the giving or deemed giving of an Acceptance or Notification, the Member(s) agreeing to purchase shall purchase and the Member(s) agreeing or deemed to have agreed to sell shall convey, transfer and assign to the purchasing Member(s) all of the Membership Interest in the Company held by the selling Member(s) at and for the price set out in the Offer and on the terms and conditions set out therein and in this Agreement. Notwithstanding any other terms contained herein or in an Offer, any purchase of a Membership Interest by any Member(s) may, at the option of the purchasing Member, be by way of all cash at closing, a promissory note at closing, or some cash and a promissory note for the remainder of the purchase price at closing. Any promissory note issued pursuant to this provision shall bear interest at the "U.S. prime rate" or the "Wall Street Journal (WSJ) prime rate" established on the date of closing, plus 0%, and such note shall be payable in full on or before 0 year(s) after the date of closing. Such promissory note shall be secured in a manner agreeable to the purchasing and selling Members, and such agreement shall not be unreasonably withheld.

The closing of the purchase and sale transaction pursuant to this Section shall take place within 7 days following the date on which the Acceptance or Notification was given. In the event that the above designated day falls on a weekend or a statutory holiday, the closing shall take place on the next following business day.

Notwithstanding anything contained within this Section, the Members agree that no Member shall be entitled to exercise any rights under this Section for a period of 0 year(s) from the date of the execution of this Agreement.

**RIGHT OF FIRST REFUSAL:**

If at any time a Member (hereinafter referred to as the "Disposing Member") wishes to sell any of its Membership Interest in the Company (hereinafter referred to as the "Offered Interest") to any person or person (hereinafter referred to as the "Thirds Party"), the Disposing Member shall first obtain a bona fide offer from the Third Party (hereinafter referred to as the "Third Party Offer") which he/she is prepared to accept, and then give the other Members (hereinafter referred to as the "Other Members") written notice (hereinafter referred to as the "Offer Notice") containing the identity of the Third Party, the terms and conditions of the Third Party Offer, a true copy of the Third Party Offer, and an offer by the Disposing Member (hereinafter referred to as the "Disposing Member's Offer") to sell the Offered Interest to the Other Members at the same price and upon the same terms and conditions as are contained in the Third Party Offer. It is understood and agreed that the Third Party's Offer shall be of a nature and type which could be offered on identical terms by the Other Members. The Other Members shall be entitled to purchase the Offered Interest proportionate to the Membership Interest in the Company held by them respectively. If any of the other Members desire to purchase more than its proportionate share of the Offered Interest is shall also indicate in its Acceptance Notice (as herein defined). The Disposing Member's Offer shall be irrevocable for a period of 7 days after receipt of the Offer Notice by the Other Members.

The Other Members may, within 7 days after receipt of the Offer Notice, accept the Disposing Member's Offer by giving written notice thereof, which shall be irrevocable, to the Disposing Member and to the Other Members (hereinafter called the "Accepting Notice").

If within the said 7 day period the Other Members do not give an Acceptance Notice or Acceptance Notices as herein provided, such that all and not less than all of the Offered Interest is required to be purchased, then the Disposing Member's Offer shall be deemed to have been rejected and the Disposing Member shall sell the Offered Interest to the Third Party on the exact same terms and conditions in the Third Party Offer. Where the Third Party does not acquire all of the Membership Interest in the Company, the Third Party shall agree to be bound by the provisions of this Agreement. Specifically such Third Party may not acquire a Membership Interest or be admitted as a Member, except by full compliance with all requirements under Sections titled "Transferability of Membership Interests – Admission of Members." The sale to the Third Party must be completed on the closing date as aforesaid, and such offer shall be deemed for purposes hereof to be a new offer which, pursuant to the provisions of this Section, shall be first offered to the Other Members. The Disposing Member shall provide reasonable proof to the Other Members that the sale of the Offered Interest was

completed at such price and upon such terms and conditions as contained in the Third Party Offer, before the Third Party shall be entitled to be registered as a Member of the Company.

A Third Party Offer shall contain a term requiring the Third Party, as a condition of closing, to duly execute and deliver to the Other Members and the Company an agreement to be bound by the terms and conditions of this Agreement including, without limiting the generality of the foregoing, the covenants and obligations of the Disposing Member and the conditions placed on transfer of a Membership Interest and admission as a Member (as set forth in this Section), hereunder, which agreement is to be in form and substance satisfactory to the attorneys for the Other Members and the Third Party acting reasonably.

If the Other Members accept the Disposing Member's Offer, then the transaction of purchase and sale shall be closed as provided for in the Third Party Offer. Notwithstanding any term contained in a Third Party Offer, or herein, any purchase of a Membership Interest by any Member(s), may at the option of any purchasing Member, be made by way of all cash at closing, a promissory note at closing, or partial payment in cash and a promissory note for the remaining balance of the purchase price at closing. Any promissory note issued pursuant to this provision shall bear interest at the prime rate as set forth in the "Wall Street Journal (WSJ) prime rate," as of the date of closing plus 0% percent, and such note shall be payable in full on or before 0 year(s) after the date of closing. Such promissory note shall be secured in a manner agreeable to the purchasing and selling Members, such agreement to not be unreasonably held.

Any other Member shall have the right to elect to, by notice in writing to the Disposing Member, within 7 days from the date of receipt of a copy of the Third Party Offer, (i) as a condition precedent to any sale of the Membership Interest by the Disposing Member, require the Third Party to amend the Third Party Offer to provide for the purchase of a pro rata proportion of Membership Interest held by the Other Member, for a price for the Other Member's Membership Interest, which is proportionately the same as the price offered for the Disposing Member's Membership Interest, and at the same time and on the same terms and conditions as contained in the Third Party Offer, in which case the Other Member shall become a Disposing Member for purposes of this Section; or (ii) as a condition precedent to any sale of the membership Interest by the Disposing Member, require the Third Party to amend the Third Party Offer to provide for the purchase for all of the Membership Interest (or such lesser number as is the subject matter of the Offer) held by the Other Member, for a price for the Other Member's Membership Interest, which is proportionately the same as the price offered for the Disposing Member's Membership Interest, and at the same time and on the same terms and condition as contained in the Third Party Offer, in which case the Other Member shall become Disposing Member for purposes of this Section.

## DISSOLUTION AND TERMINATION

### WITHDRAWAL:

Except as otherwise provided in this Agreement, no Member shall at any time retire or withdraw from the Company or withdraw any amount out of his/her or their Capital Account. Any Member retiring or withdrawing in contravention of the Section shall indemnify, defend, and hold harmless the Company and all other Members (other than a Member who is, at the

time of such withdrawal, in default under this Agreement) from and against any losses, expenses, judgments, fines, settlements, or damages suffered or incurred by the Company or any such other Member arising out of or resulting from such retirement or withdrawal.

**DISSOLUTION:**

The Company shall be dissolved upon the first of the following to occur: (i) when the period fixed for the duration of the Company in the Articles of Organization shall expire; (ii) upon the election to dissolve the Company by all Members; (iii) upon the happening of any event of withdrawal (as defined in the ACT) with respect to any Member, unless there is at least one remaining Member, and the business of the Company is continued by the written consent of all the remaining Managers or the written consent of the remaining Members holding a Majority Interest within 7 days of the action by or affecting the withdrawing Member; (iv) upon a deadlock on management affairs as defined under the Section titled "Dissolution in the Event of a Deadlock;" or (v) The entry of a decree of judicial dissolution or the issuance of a certificate for administrative dissolution under the ACT.

Upon dissolution of the Company, the business and affairs of the Company shall terminate and be wound up, and the assets of the Company shall be liquidated under this Section.

Dissolution of the Company shall be effective as of the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until there has been a winding up of the Company's business and affairs, and the assets of the Company have been distributed as provided under the Section titled "Distribution of Assets Upon Dissolution."

Upon dissolution of the Company, the Managers may cause any part or all of the assets of the Company to be sold in such manner as the Managers shall determine in an effort to obtain the best prices for such assets; provided, however, that the Managers may distribute assets of the Company in kind to the Members to the extent practicable.

**DISSOLUTION IN THE EVENT OF A DEADLOCK:**

In the event that the Members of the Company fail to agree to a matter which requires unanimous consent under the Section titled "Matters Requiring Unanimous Consent," a management deadlock is deemed to have occurred when (i) a matter related to the management affairs of the Company has been considered by a meeting of the Members; and (ii) no resolution of the matter has been reached at such meeting of the Members, by virtue of it receiving the unanimous consent of the Members; (iii) within 7 days from such meeting, one or more Members gives notice to all other Members that it considers the Company in deadlock and intends to seek dissolution of the Company due to such deadlock, if a resolution is not reached in the matter in question; and (iv) such matter is not otherwise resolved or rendered irrelevant within 7 days from the date of the notice mentioned above.

When a management deadlock occurs and is not resolved, the Company shall be dissolved in accordance with this Agreement.

**ARTICLES OF DISSOLUTION:**

Upon the dissolution and commencement of the winding up of the Company, the Managers shall cause the Articles of Dissolution to be executed on behalf of the Company and filed with the Secretary of State and a Manager or authorized Member shall execute, acknowledge and file any and all other instruments necessary or appropriate to reflect the dissolution of the Company.

**DISTRIBUTION OF ASSETS UPON DISSOLUTION:**

In settling accounts after dissolution, the assets of the Company shall be paid (i) first, to creditors, in the order of priority as provided by law, except those to Members on account of the Capital Contributions; (ii) second, an amount equal to the then remaining credit balances in the Capital Accounts of the Members shall be distributed to the Members in proportion to the amount of such balances; and (iii) third, any remainder shall be distributed to the Members of the Company, pro rata to their respective Membership Interests.

**DISTRIBUTIONS IN KIND:**

If any assets of the Company are distributed in kind, such assets shall be distributed to the Members entitled thereto as tenants-in-common in the same proportions as the Members would have been entitled to cash distributions if such property had been sold for cash and the net proceeds thereof distributed to the Members. In the event that distributions in kind are made to the Members upon dissolution and liquidation of the Company, the Capital Account balances of such Members shall be adjusted to reflect the Members allocable share of gain or loss which would have resulted if the distributed property had been sold at its fair market value.

**MISCELLANEOUS PROVISIONS**

**COMPETING BUSINESS:**

Except as otherwise expressly provided in this Agreement or the ACT, neither the Managers nor the Members, nor any of their shareholders, directors, officers, employees, partners, agents, family members, or affiliates, shall be prohibited or restricted in any way from investing in or conducting, either directly or indirectly, and may invest in and/or conduct, either directly or indirectly, businesses of any nature whatsoever, except for the ownership and operation of businesses or properties similar to or in the same geographical area as those held by the Company. Except as otherwise provided in this Agreement or the ACT, any investment in or conducting of any such businesses by any such person or entity shall not give rise to any claim for an accounting by any Member or the Company or any right to claim any interest therein or the profits therefrom.

**MEMBER REPRESENTATIONS AND AGREEMENTS:**

Notwithstanding anything contained in this Agreement to the contrary, each Member hereby represents and warrants to the Company, the Managers, and to each other that (i) the Membership Interest of such Member is acquired for investment purposes only, for the Member's own account, and not with a view to or in connection with any distribution, reoffer, resale, or other disposition not in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "1933 Act") and applicable state securities laws; (ii) such Member, alone or together with the Member's representatives, possesses such expertise,

knowledge, and sophistication in financial and business matters generally, and in the type of transactions in which the Company proposes to engage in particular, that the Member is capable of evaluating the merits and economic risks of acquiring and holding the Membership Interest and the Member is able to bear all such economic risks now and in the future; (iii) such Member has had access to all of the information with respect to the Membership Interest acquired by the Member under this Agreement that the Member deems necessary to make a complete evaluation thereof and has had the opportunity to question the other Members and the Managers, if any, concerning such Membership Interest; (iv) such Member's decision to acquire the Membership Interest for investment has been based solely upon the evaluation made by the Member; (v) such Member is aware that the Member must bear the economic risk of an investment in the Company for an indefinite period of time because Membership Interests have not been registered under the 1933 Act or under the securities laws of various states and, therefore, cannot be sold unless such Membership Interests are subsequently registered under the 1933 Act and any applicable state securities laws or an exemption from registration is available; (vi) such Member is aware that only the Company can take action to register Membership Interests and the Company is under no such obligation and does not propose to attempt to do so; (vii) such Member is aware that this Agreement provides restrictions on the ability of a member to sell, transfer, assign, mortgage, hypothecate, or otherwise encumber the Member's Membership Interest; (viii) such Member agrees that the Member will truthfully and completely answer all questions and make all covenants that the Company or the Managers may, contemporaneously or hereafter, ask or demand for the purpose of establishing compliance with the 1933 Act and applicable state securities laws; and (ix) if that Member is an organization, that it is duly organized, validly existing, and in good standing under the laws of its state or country of organization and that it has full organizational power and authority to execute and agree to this Agreement and to perform its obligations hereunder.

**NOTICE:**

All notices, demands, or requests provided for or permitted to be given pursuant to this Agreement must be in writing.

All notices, demands and requests to be sent to any Manager or Member pursuant to this Agreement shall be deemed to have been properly given or served if addressed to such person at the address as it appears on the Company records and (i) personally delivered, (ii) deposited for next day delivery by Express Delivery or other similar overnight courier services, (iii) deposited in the United States mail, prepaid and registered or certified with return receipt requested, or (iv) transmitted via facsimile or other similar device to the attention of such person with receipt acknowledged.

All notices, demands, and requests so given shall be deemed received when (i) actually received, if personally delivered or deposited for next day delivery with an overnight courier or faxed, or (ii) as indicated upon the return receipt if deposited in the United States mail.

The Managers and Members shall have the right, from time to time, and/or at any time during the term of this Agreement, to change their respective addresses by delivering to the other

parties written notice of such change in the manner prescribed in the aforementioned second Notice paragraph.

All distribution to any Member shall be made at the address at which notices are sent unless otherwise specified in writing by any such Member.

**NO PARTITION ACTION:**

No Member shall have any right to maintain any action for partition with respect to the property of the Company.

**AMENDMENTS:**

This Agreement or the Articles of Organization may only be amended or modified by a writing executed and delivered by each of the Members. A vote of the Majority in Interest of all Members is required for any amendment.

**POWER OF ATTORNEY:**

Each Member hereby makes, constitutes, and appoints each elected Manager as may be serving from time to time, severally, with full power of substitution, as the Member's true and lawful attorney-in-fact, for such Member and in such Member's name, place, and stead and for the Member's use and benefit to sign and acknowledge, file, and record, any amendments hereto among the Members and for the further purpose of executing and filing on behalf of each Member any documents necessary to constitute the continuation of the Company, the admission or withdrawal of a Member, the qualification of the Company in a foreign jurisdiction (or amendment to such qualification), the admission of substitute Members, or the dissolution or termination of the Company, provided such continuation, admission, withdrawal, qualification, or dissolution and termination are in accordance with the terms of this Agreement.

The foregoing power of attorney is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death or legal incapacity of each Member. It may be exercised by any one of said attorneys by listing all of the Members executing any instrument over the signature of the attorney-in-fact acting for all of them. The power of attorney shall survive the delivery of an assignment by a Member of the whole or any portion of his/her or their Membership Interest. In those cases in which the assignee of, or the successor to, a Member owning Membership Interest has been approved by the Members for admission to the Company as a substitute Member, the power of attorney shall survive for the sole purpose of enabling the Managers to execute, acknowledge, and file any instrument necessary to effect such substitution.

This power of attorney shall not be affected by the subsequent incapacity or mental incompetence of any Member.

**GOVERNING LAW; ARBITRATION:**

This Agreement, being made in the County of Delta in the State of Colorado, with the rights and obligations of the Members hereunder shall be interpreted, construed and enforced in accordance with the laws of the State of Colorado. Any dispute arising out of or in connection

with this Agreement or the breach thereof shall be decided by arbitration to be conducted in Delta, Colorado in accordance with the then prevailing commercial arbitration rules of the American Arbitration Association, and judgment thereof may be entered in any court having jurisdiction thereof.

**ENTIRE AGREEMENT:**

This Agreement, including all schedules to this Agreement, as amended from time to time, in accordance with the terms of this Agreement, contains the entire agreement among the parties relative to the subject matter hereof.

**WAIVER:**

No consent or waiver, express or implied, by any Member to or for any breach or default by any other Member in the performance by such other Member of his/her or its obligations under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member of the same or any other obligations of such other Member under this Agreement. Failure on the part of any Member to complain of any act or failure to act of any of the other Members or to declare any of the other Members in default, regardless of how long such failure continues, shall not constitute a waiver by such Member of his/her or its rights hereunder.

**SEVERABILITY:**

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

**BINDING AGREEMENT:**

Subject to the restrictions on transferability set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the undersigned Members and their respective legal representatives, successors and assigns.

**TENSE AND GENDER:**

Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine or neutral gender is used inappropriately within this Agreement, this Agreement shall be read as if the appropriate gender was used.

**CAPTION:**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of this Agreement, the text shall be the ruling and controlling factor.

**BENEFITS OF AGREEMENT:**

Nothing in this Agreement, expressed or implied, is intended or shall be construed to give to any creditor of the Company or any creditor of any Member or any other person or entity whatsoever, other than the Members and the Company, any legal or equitable right, remedy, or claim under or in respect to this Agreement or any covenant, condition, or provisions herein

contained, and such provisions are and shall be held to be for the sole and exclusive benefit of the Members and the Company.

**COUNTERPARTS:**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purpose and all of which when taken together shall constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument. All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the parties had executed a single signature page.

***IN WITNESS WHEREOF***, the undersigned, being the initial Managers and all of the Members of the Company, have caused this Agreement to be duly adopted by the Company as of the date provided below, and do hereby assume and agree to be bound by and to perform all of the terms and provisions set forth in this Agreement through the signing thereof.

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Jessica Catinella - Owner

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(Date)

## SCHEDULE B – COMPANY MANAGERS

Jessica Catinella - Owner

Prepared by: Tiffany Gonsalves  
After recording return to: Rita Drinkwater  
SBA Network Services, LLC  
8051 Congress Avenue  
Boca Raton, FL 33487  
Ph: 800-487-7483 ext. 7872

Parcel ID: 324506400008

**FIRST AMENDMENT TO LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO LEASE AGREEMENT** (“First Amendment”) is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2024 (“Effective Date”) by and between **TOWN OF PAONIA, a Colorado municipality**, having an address of 214 Grand Avenue, Paonia, CO 81428 (“Landlord”) and **SBA TOWERS II LLC, a Florida limited liability company**, having a principal office located at 8051 Congress Avenue, Boca Raton, FL 33487-1307 (“Tenant”).

**WHEREAS**, Landlord and NTCH-Colorado, Inc., a Colorado corporation, entered into that certain Lease Agreement dated October 10, 2000, as evidenced by that certain Memorandum of Lease recorded November 29, 2000, in Book 869, Page 360 (collectively, “Agreement”) and assigned to Tenant, pursuant to that certain Assignment and Assumption Agreement dated December 26, 2007, and recorded April 4, 2008, Reception No. 624491; said recordings of the Clerk and Recorder of Delta County, Colorado, for Tenant’s use of a portion of the real property (“Property”) located at 40581 O Road, Paonia, CO 81428 (hereinafter referred to as “Parent Parcel”), being more particularly described and depicted in the attached **Exhibit “A”**, for the purpose of constructing, maintaining, and operating communication facilities and uses incidental thereto; and

**WHEREAS**, Landlord and Tenant desire and intend to amend and supplement the Agreement as provided herein.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant, agree and bind themselves to the following modifications to the Agreement:

1. **Section 4. Extended Term Rental**, of the Agreement is hereby amended as follows:

At commencement of construction on the tower to increase the height to seventy-five feet (75') ("Construction"), Tenant shall pay Landlord a one-time payment in the amount of Five Thousand Four Hundred and No/100 Dollars (\$5,400.00) to supplement the Rent paid to Landlord for the subject year ("Supplement Date").

At commencement of construction on the tower and each fifth (5th) anniversary of such date thereafter, Landlord's Rent shall increase by twelve point five percent (12.5%).

2. The first sentence of **Section 6. Use**, of the Agreement is hereby deleted and replaced with the following:

TENANT shall use the Property for the purpose of constructing, maintaining and operating communication facilities and uses incidental thereto, which facilities may consist of such buildings as are necessary to house telecommunications equipment, **one free standing seventy-five foot (75') monopole** as determined by TENANT, now or in the future to meet TENANT's telecommunication needs and all necessary appurtenances, and a security fence of chain link or comparable construction that may, at the option of the TENANT, be placed around the perimeter of the Property (collectively, the "Communications Facility"), and for no other purpose. The defined Construction shall not be commenced until such time as plans for the Communications Facility described herein have been approved by the Delta County Building Department, or other appropriate department of the County or other proper jurisdictional authority, and until TENANT has provided documentation of such approval to LANDLORD. Following such Construction completion, TENANT shall return all areas of the Parent Parcel disturbed by such Construction to a condition equal to or better than its condition prior to Construction commencement. Within thirty (30) days of Construction completion, TENANT shall provide LANDLORD with a list and as-built drawings of all equipment, technologies, facilities, structures, and improvements forming the Communications Facility and appurtenances installed within the Property.

3. **Section 6. Use**, of the Agreement is hereby further amended by adding the following sentence to follow the second full paragraph of such Section:

After TENANT's initial installation of the Communications Facility, without further approval of or additional rent payable to, LANDLORD, TENANT may make modifications or alterations that allow TENANT to (i) modify or add additional technologies to the tower, or (ii) modify or add equipment within the Property; provided, however, that in either case such modification or alteration shall not expand, or purport to expand, the Communications Facility, the Property, or any of the rights granted to

TENANT under the Agreement, as amended (“Permitted Modification”). For any modification or alteration that is not a Permitted Modification, such as increasing the height above 75’ or expanding the Property, TENANT shall seek LANDLORD’s written approval of TENANT’s installation plans and specifications at least thirty (30) days prior to commencing any such modification or alteration. LANDLORD, by way of the Town Administrator, shall give such approval or provide TENANT with its requests for changes within ten (10) business days of LANDLORD’s receipt of TENANT’s plans. If LANDLORD does not provide such approval or request for changes within such ten (10) business day period, LANDLORD shall be deemed to have denied the plans. LANDLORD reserves the right to receive additional consideration in exchange for giving its approval of any alterations or modifications that increase the size of the Communications Facility or increase the area of the Parent Parcel or Property occupied by the Communications Facility or appurtenances (beyond that shown on the as-built drawings provided to LANDLORD in accordance with the first paragraph of this Section 6). Within thirty (30) days of completion of alterations or modifications contemplated hereunder, TENANT shall provide LANDLORD with as-built drawings and a list of all installed equipment and materials. As may be applicable, after notice and default and cure periods, LANDLORD at LANDLORD’s option shall have the right to either (i) order the removal of, or (ii) receive additional compensation for, any equipment, fixtures, or materials installed as party of any modification or alteration made in violation of this Section. Any reasonable and proven costs incurred by LANDLORD relative to LANDLORD’s enforcement of its rights under this Section, including without limitation attorneys’ and expert witness fees, recording fees, and court costs, shall be reimbursed by TENANT within thirty (30) days of LANDLORD’s written demand therefor.

4. The first sentence of **Section 7. Governmental Approvals**, of the Agreement is hereby amended as follows:

LANDLORD shall cooperate with TENANT in its effort to obtain and maintain in effect all certificates, permits, licenses and other approvals required by governmental authorities for TENANT’s use of the Property; provided that, all application, certificate, permit, license, and similar fees, and any costs incurred by TENANT in its efforts to obtain such certificates, permits, licenses, and other approvals, shall be borne by TENANT, and TENANT shall provide LANDLORD with courtesy copies of all written communications exchanged between TENANT and such government authorities from whom such certificates, permits, licenses, and other approvals are required.

5. The last sentence of **Section 7. Government Approvals**, of the Agreement is hereby deleted and replaced by the following sentence:

Upon termination as provided for in this paragraph, this Agreement shall become null and void and LANDLORD and TENANT shall have no further obligations to each other, other than TENANT’s obligations under Sections 11 and 18, and those obligations surviving termination in accordance with Section 24.

- 6. **Section 8. Indemnification**, of the Agreement is amended by replacing the heading with “**Indemnification and Insurance**,” and by the addition of the following sentences at the end of the paragraph:

TENANT’s Comprehensive General Liability insurance policy shall be endorsed to include the Town of Paonia, and its elected and appointed officers and employees, as additional insureds (the “LANDLORD PARTIES”), unless the LANDLORD in its sole discretion waives such requirement. The policy required above shall be primary insurance, and any insurance carried by the LANDLORD PARTIES, shall be excess and not contributory insurance to that provided by the TENANT. Such policy shall contain a severability of interests provision. TENANT shall be solely responsible for any deductible losses under the policy required above. Failure on the part of TENANT to procure or maintain the policy providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which LANDLORD may immediately terminate this Agreement. The parties understand and agree that LANDLORD PARTIES are relying on, and do not waive or intend to waive by any provision of this contract, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as from time to time amended, or otherwise available to the LANDLORD PARTIES.

- 7. The last sentence of **Section 10. Termination**, of the Agreement is hereby amended to read as follows:

Upon such termination, this Agreement shall become null and void and LANDLORD and TENANT shall have no further obligations to each other, other than TENANT’s obligations under Sections 11 and 18, and those obligations surviving termination in accordance with Section 24.

- 8. **Section 11. Removal of Improvements**, of the Agreement is hereby amended to delete and replace the last sentence with the following:

If TENANT fails to perform its removal and restoration obligations to LANDLORD’s satisfaction within the above-allotted, 180-day period, TENANT shall pay LANDLORD rent at the then-current rate *plus* three percent (3%) on a prorated, monthly basis, until such obligations are fulfilled.

- 9. **Section 13. Quiet Enjoyment**, of the Agreement is hereby amended by the addition of the following sentence at the end of the paragraph:

Excepting areas of the Property surrounded by fencing installed by TENANT as permitted hereunder, LANDLORD reserves (i) for itself, the right to access and use any portion of the Parent Parcel for any lawful municipal purpose, and (ii) for the public, right to access, use, and enjoy any hiking or walking trails and the picnic area on the Parent Parcel; provided, however, that LANDLORD’s exercise of such reserved rights, for itself or for the benefit of the public, shall not interfere with TENANT’s entrance to the Property or TENANT’s telecommunications operations.

10. **Section 18. Hazardous Substances**, of the Agreement is hereby amended by adding the following paragraph at the end of the Section:

TENANT will not bring, or cause any hazardous substances to be brought upon, kept or used in or on the Property in a manner or for a purpose prohibited by or that could result in liability under any federal, state or local statutes, laws, ordinances or regulations now existing or existing after the Effective Date that control, classify, regulate, list or define hazardous substances or materials (“Hazardous Substances Laws”). TENANT, at its sole cost and expense, will comply with all Hazardous Substances Laws and prudent industry practice relating to the presence, treatment, storage, transportation, disposal, release or management of hazardous substances in, on, under or about the Property required for TENANT's use of the Property and will notify LANDLORD of any and all hazardous substances TENANT brings upon, keeps or uses on the Property. On or before the expiration or earlier termination of this Agreement, TENANT, at its sole cost and expense, will completely remove from the Property (regardless whether any Hazardous Substances Law requires removal) in compliance with all Hazardous Substances Laws, all hazardous substances TENANT causes to be present in, on, under or about the Property. TENANT will not take any remedial action in response to the presence of any hazardous substances in on, under or about the Property, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to or in any way connected with hazardous substances in, on, under or about the Property, without first (a) notifying LANDLORD of TENANT’s intention to do so and (b) affording LANDLORD reasonable opportunity to investigate, appear, intervene and otherwise assert and protect LANDLORD's interest in the Property. As used herein the term “hazardous substances” means any of the following, in any amount: (i) any petroleum or petroleum product, asbestos in any form, urea formaldehyde and polychlorinated biphenyls; (ii) any radioactive substance; (iii) any toxic, infectious, reactive, corrosive, ignitable or flammable chemical or chemical compound; and (iv) any chemicals, materials or substances, whether solid, liquid or gas, defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "solid waste," or words of similar import in any federal, state or local statute, law, ordinance or regulation now existing or existing on or after the Effective Date as the same may be interpreted by government offices and agencies.

11. **Section 21. Notices**, of the Agreement is hereby amended as follows:

If to Tenant:           SBA Towers II LLC  
                                  Attn: Site Administration  
                                  8051 Congress Avenue  
                                  Boca Raton, FL 33487-1307  
                                  Re: CO10486-A / P-Hill

12. Upon full execution of this Agreement, Tenant shall pay to Landlord a one-time payment of Fifteen Thousand and No/100 Dollars (\$15,000.00), to offset the Town's legal fees in negotiating this Agreement, which sum may be used by Landlord for any lawful municipal purpose.
13. TENANT shall pay promptly for all costs and charges for all labor done or materials furnished for any work or repair, maintenance, improvement, alteration, or addition including installment of fixtures done by TENANT in connection with the Construction, and shall indemnify and hold LANDLORD, the Parent Parcel, and the Property free, clear and harmless of and from all liens and claims of liens, and all other liability, claims and demands that arise by reason of any such work, unless caused by the negligence or intentional acts of LANDLORD or its parties. If any such lien shall at any time be filed against the Parent Parcel or the Property, TENANT shall either cause the same to be discharged of record within twenty (20) days after the date upon which the same is filed, or, if TENANT in its discretion and in good faith determines that such lien should be contested, TENANT shall furnish to LANDLORD a security, in a form acceptable to LANDLORD, in an amount equal to one hundred fifty percent (150%) of the contested value as may be necessary or required to prevent any foreclosure proceedings against the Parent Parcel or Property, which shall not be refunded (i) unless the lien(s) is discharged or otherwise eliminated, and (ii) until the conclusion of such contest.
14. Capitalized terms not defined in this First Amendment will have the meaning ascribed to such terms in the Agreement.
15. This First Amendment will be governed by and construed and enforced in accordance with the laws of the state in which the Parent Parcel is located without regard to principles of conflicts of law.
16. Except as specifically set forth in this First Amendment, the Agreement is otherwise unmodified and remains in full force and effect and is hereby ratified and reaffirmed. In the event of any inconsistencies between the Agreement and this First Amendment, the terms of this First Amendment shall take precedence.
17. Landlord acknowledges that the attached Exhibit "A" is preliminary and incomplete and, accordingly, Tenant shall replace and substitute such exhibit with an accurate survey and legal descriptions of the Property and Easement and re-record this First Amendment, which it may do without obtaining the further approval of Landlord's governing body; provided, however, that: (i) the replacement or substitution exhibit shall be provided to the Town Administrator for review and approval prior to Tenant's recording of the same, which approval shall not be withheld if such replacement or substitution exhibit does not expand, or purport to expand, the Parent Parcel, the Communications Facility, or any of the rights granted to Tenant under the Agreement as amended by this First Amendment; (ii) any expansion or purported expansion of the Parent Parcel or any of the rights granted to Tenant under the Agreement as amended by this First Amendment shall be (a) voidable by Landlord, or (b) compensated in a mutually agreed-upon amount, as set forth in a

subsequent writing signed by both parties; and (iii) any costs incurred by Landlord relative to Landlord's enforcement of its rights under this Section, including without limitation attorneys' and expert witness fees, recording fees, and court costs, shall be reimbursed by Tenant within thirty (30) days' of Landlord's written demand therefor. Following such re-recording in accordance with and subject to the requirements of this paragraph, the descriptions of the Parent Parcel and Access Easement (as defined in the Agreement) described therein shall serve as the descriptions for same for all purposes under the Agreement.

- 18. Landlord represents and warrants to Tenant that Landlord is the sole owner in fee simple title to the Parent Parcel and Landlord's interest under the Agreement and that consent or approval of no other person is necessary for Landlord to enter into this First Amendment.
- 19. This First Amendment may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same First Amendment.
- 20. Tenant shall record this First Amendment in the real property records of the Delta County Clerk and Recorder at Tenant's cost.

**IN WITNESS WHEREOF**, the parties have executed this First Amendment as of the day and year above written.

**ATTEST:**

**LANDLORD:**

**Town of Paonia, a Colorado municipality**

\_\_\_\_\_  
Samira M. Vetter, Town Clerk

By: \_\_\_\_\_  
Mary Bachran, Mayor

**STATE OF COLORADO**  
**COUNTY OF DELTA**

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_, by Mary Bachran as Mayor of the Town of Paonia, a Colorado municipality.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

(NOTARY SEAL)

**WITNESSES:**

**TENANT:**

**SBA Towers II LLC, a Florida limited liability company**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Joshua Koenig, Executive Vice  
President and General Counsel

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**STATE OF FLORIDA**

**COUNTY OF PALM BEACH**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this \_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_, by Joshua Koenig, Executive Vice President and General Counsel of SBA Towers II LLC, a Florida limited liability company, on behalf of said company, who is personally known to me and did not take an oath.

\_\_\_\_\_  
Notary Public \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

(NOTARY SEAL)

**EXHIBIT "A"**

Legal description to be incorporated upon receipt of final survey.

That certain Lease Agreement by and between Town of Paonia, a municipal corporation and NTCH-Colorado, Inc., a Colorado corporation as evidenced by that Memorandum of Lease recorded November 29, 2000 in Book 869 at Page 360 and further evidenced by that Option and Lease Agreement recorded January 4, 2005 at Reception No. 587016 and Assignment and Assumption of Land Lease, recorded January 4, 2005 at Reception No. 587017, in the Delta County Clerk and Records Office, Delta County, Colorado.



**TOWN OF PAONIA  
BOARD OF TRUSTEES MEETING  
STAFF REPORT**

<b>AGENDA ITEM:</b>	Consideration of Submitting a USDOT Safe Streets for All (SS4A) Planning Grant
<b>SUBMITTED BY:</b>	Mayor Bachran
<b>DATE:</b>	3-26-24
<b>BACKGROUND:</b>	<p>In order to apply for USDOT grant funding to improve streets, the Town must have a USDOT approved Action Plan. The SS4A grant will allow us to create such a plan.</p> <p>The plan will examine all the streets of the Town and the access roads leading to the Town from HWY133. We have asked the County to be a partner in the plan formation. It will include citizen input as well assessing safety hazards and recommendations for improving them. By creating this plan, we can begin to include items from the plan into our CIP for streets and apply for grant funding for them.</p> <p>The grant is due on April 4, 2024. We should be notified of award by early May, 2024. The grant requires a 20%.</p>
<b>BUDGET:</b>	Total Project Cost: \$367,468 Grant Amount: \$293,974 Match: \$73,494 to come from reserves
<b>RECOMMENDATION:</b>	I move to approve applying for a SS4A planning grant in the amount of \$294,974
<b>ATTACHMENT:</b>	

# Termination Agreement to the Paonia vmSCADA CONTRACT

Parties and Contacts	
Browns Hill Engineering & Controls, LLC 8130 Shaffer Parkway, suite A Littleton, CO 80127	Town of Paonia 41576 Lamborn Mesa Rd Paonia, CO 81428
Attn: Matt Ballard E-mail: mdballard@BrownsHillEng.com	Attn: Stefen Wynn E-mail: StefenW@townofpaonia.com
Referred to herein as "Browns Hill"	Referred to herein as "Paonia"

This termination agreement is made to the vmSCADA Contract between Browns Hill and Paonia, which was executed June 30, 2020. The Effective Date of this Agreement is **March 13, 2024**.

WHEREAS Paonia desires to terminate current its vmSCADA Contract with Browns Hill and both entities desire to maintain a mutually beneficial business relationship going forward, the parties agree as follows:

1. Paonia will not be invoiced for the remaining 24 months of the contract term. This represents \$41,040 (\$1,710.00/month x 24 months = \$41,010.00).
2. In accordance with buyout provisions in the contract, Paonia will make a lump sum payment to Browns Hill of **\$21,139.84** (Twenty-One Thousand One Hundred Thirty-Nine Dollars and Eighty-Four Cents) as outlined below:

Buyout Calculation:		
Discounted Buyout Price:	\$	29,829.84
Less Security Deposit:	\$	(8,690.00)
Net Buyout Price:	\$	21,139.84

3. With this payment, Paonia shall have no further financial obligation with respect to the vmSCADA Contract and will be fully reimbursed the security deposit paid in April 2020.
4. Upon mutual execution of this agreement, receipt of the Buyout Payment and return of all Browns Hill equipment installed at Paonia in connection with the solution, the vmSCADA Contract between the parties will officially be concluded and fully terminated.

**Browns Hill Engineering & Controls, LLC**

**Town of Paonia**

Signed: 

Signed: \_\_\_\_\_

Name: Matt Ballard

Name: \_\_\_\_\_

Title: Chief Operating Officer

Title: \_\_\_\_\_

Date: 03/13/2024

Date: \_\_\_\_\_



**TOWN OF PAONIA  
BOARD OF TRUSTEES MEETING  
STAFF REPORT**

<b>AGENDA ITEM:</b>	Letter of Support for Submission of Safe Pathways for Paonia Congressionally Directed Spending (CDS) Request
<b>SUBMITTED BY:</b>	Mayor Bachran
<b>DATE:</b>	3-26-24
<b>BACKGROUND:</b>	<p>The Board previously agreed to submit a CDS request to Senators Bennett and Hickenlooper for the additional \$1,857,726 from the US Department of Transportation to complete the 5th and Grand Ave. reconstruction project: Safe Pathways for Paonia. This could be another way to obtain funding if the grant is not awarded.</p> <p>The Board's motion to submit the request at the 2-13-24 meeting did not include this project. A letter of support is needed to complete the request.</p>
<b>BUDGET:</b>	
<b>RECOMMENDATION:</b>	I move to submit a CDS request and a letter of support for the Safe Pathways for Paonia with Senator Bennett and Hickenlooper.
<b>ATTACHMENT:</b>	Draft Letter of Support



March 26, 2024

**RE:** Congressionally Directed Spending Request

Dear Senators Bennett and Hickenlooper:

The Board of Trustees supports the submission of a Congressionally Directed Spending request for the Safe Pathways for Paonia project in the amount of \$1,857,726.

The project will reconstruct the intersection at 5th St and Grand Ave. from 4th Street to approximately 200 feet north of the 5th St. intersection on Grand Ave. to create a T-intersection. Sidewalks, curbs, gutters, and ADA curb ramps will be installed on 5th St and Grand where they are missing. Sidewalks will be extended to join the existing sidewalk on the west side of the street. Crosswalks will be painted, and signage will indicate safe pathways. Rectangular rapid action beacon (RRAB) pedestrian signals will be installed on the crosswalks on Grand Ave. The pavement will be grooved on either side of the intersection to alert traffic to the reduced speed limits and school crossings.

The reconfiguration of this dangerous intersection will benefit all the people who travel through it reducing the incident of future accidents and injuries significantly. It is a good use of taxpayer funds as it will benefit everyone who uses this intersection equally. This is one of the main entrances to Paonia, a tourist hub. Beautifying and reconfiguring it will help boost the economy of Paonia as it will enhance one of the two entrances to the Town and making it more inviting to visitors. This intersection is also the main path by which school children walk, bike and ride to the Paonia K-8 farther down the road. There have been several near misses with cars almost hitting children who are attempting to cross without sidewalks, crosswalks or signals. This is a dangerous intersection and reconfiguring it will benefit all the people living in and around Paonia as well as the visitors to the area. Having safe places for out of state visitors to come will benefit the State through increased tax revenues and incentives for more tourism.

If you have any questions concerning this letter, please contact me at any avenue below.

In Public Service,

Mary Bachran  
Mayor, Town of Paonia  
E: [MaryB@TownofPaonia.com](mailto:MaryB@TownofPaonia.com)

CC: Paonia Board of Trustees

**AMENDMENT #1**

**TO**

**PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN THE TOWN OF PAONIA AND PHOENIX RISING RESOURCES LLC**

**RECITALS AND PURPOSE**

With approval of the Town of Paonia Town Board at the March 26th, 2024 board meeting, the Town desires to add on the Scope of Services detailed below to the original Professional Services Agreement made from Feb 28th 2023-Feb 29th 2024.

**SCOPE OF SERVICES**

The following services are hereby added to the professional services agreement.

1. Include a stand alone section for Transportation in the Paonia Comprehensive Plan
2. Include a full future land use map
3. Include a 3 mile map for the basis of an area plan
4. Conduct a 2hr public workshop for the Future Land Use element
5. Present and take public comment at 3 Planning Commission Meetings and a final presentation to the full Board of Trustees
6. All work will be completed by June 30, 2024.

**COMPENSATION**

The Town shall pay the Contractor for Services under this agreement a total not to exceed \$15,880.00 for this Amendment #1. The revised total with Amendment #1 will therefore not exceed the amount as of \$68,275.00.

**PROJECT REPRESENTATION**

The Town designates Stefen Wynn, Town Administrator, as an additional Town official to provide direction to the Contractor during the conduct of the Services.

**AUTHORITY TO BIND**

Each of the persons signing below on behalf of any party hereby represents and warrants that such person is signing with full and complete authority to bind the party on whose behalf of whom such person is signing, to each and every term of this Amendment #2.

In witness whereof, the parties have executed this Agreement to be effective as of the \_\_\_ day of \_\_\_\_\_, 2024.

TOWN OF PAONIA

a Colorado Municipal Corporation

By: \_\_\_\_\_  
Mary Bachran, Mayor

Attest: \_\_\_\_\_  
Samira Vetter, Town Clerk

CONTRACTOR:  
Phoenix Rising Resources, LLC

By: \_\_\_\_\_  
Calla Rose Ostrander, Owner/Manager

## **Public Safety**

### **Town Hall**

3/19/24 Matt, Rick and Dave

1. Complaints on long term Delta Avenue parking and obstructing sidewalk
2. Discussion if sewer line extensions and law enforcement needs going west along the river and to Stop and Save - annexation consideration for River Park and issues about sewer lines to Treatment Plant
3. Response time to River Park issue of almost 45 minutes on 3/18/24 by Delta County Deputy.
4. Staffing Levels were discussed. At current levels there is capacity to handle increases. At present, two officers are on call for swing shifts over the weekends.
5. With the vote to not pursue space at the Middle School, the department is planning to use the building official space and do minor modifications of the remaining space. Suggestion by Rick is to put a request in for next year's budget for space requirements next year for ideal office space.
6. Biggest Law Enforcement issue over the next year is officer compensation that is adequate to prevent turnover. It is suggested that Council Members pay close attention to the CML survey and especially salaries in Montrose, Delta, Delta County, Hotchkiss, and Cedaredge.
7. Dog registration is very weak as only 14 dogs are registered. One suggestion is to allow free registration at select community events. Registered dogs prevent the Town from having to transport and kennel a dog.
8. Occasionally officers patrol Volunteer Park to prevent vandalism, it's a very random and not on regular schedules.

## **Parks Committee Meeting**

### **Apple Valley Park**

3/19/24 Rick, Dave, Amber, Judd, Tracy, Ben G., Lyn Howe

1. The Parks Committee and citizens present at the meeting strongly endorse an approval for camping at Apple Valley park when the Jumbo trail crew is scheduled to work on trails.

2. Safe Routes to Parks will have a video conference call on Thursday 3/21 to wrap up plans for the “Walk and Roll Audit” on April 4, 2024 at 2:30 p.m. See flyer included in the packet.
3. The “Hestival” at Big Bs will be held at the end of April. Judd is closely coordinating the event to ensure that mountain bikers comply with parking at Apple Valley when using the Jumbo Trails. Big Bs is also arranging for bus transportation that would decrease the parking pressure. Overflow parking is allowed at USFS Ranger Station on Rio Grande on weekends. Discussion was held regarding safe access for bikes and local residents on the private road and the south access route out of Apple Valley. There is a need for tree trimming and gravel. This might be an administrative request, but if not, the Committee recommends Council approval for Public Works to improve the route prior to the “Hestival.”
4. The Committee and Lyn Howe (property owner) need to have access to any notes from our former Town Attorney regarding the plan for an easement. Our request is for the Town Council to approve legal review and notes.
5. Lyn, Tracy, and Ben further discussed liability and safety for the bike and pedestrian use of the right of way (that Lyn and Geoff are willing to provide). The Walk and Roll Audit will provide a good forum for making more concrete plans.