APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT	MONTEZUMA COUNTY WATER DISTRICT #1
ADDRESS	P O BOX 314 CORTEZ, CO 81321
CONTACT PERSON	TRESSA ALLEN
PHONE	970-565-3343
EMAIL	MCCOMBCPA@MSN.COM
FAX	970-565-7074

For the Year Ended 12/31/2016 or fiscal year ended:

2473.00

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with **knowledge of governmental accounting** and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least $100,000 but not more than $750,000, and that independent means someone who is separate from the entity.

NAME	CHRIS L MAJORS CPA MT
TITLE	INDEPENDENT CPA
FIRM NAME (if applicable)	MAJORS AND HALEY, P.C.
ADDRESS	P O BOX 1478 CORTEZ, CO 81321
PHONE	970-565-9521
DATE PREPARED (Must be Completed prior to Board approval)	21ST OF MARCH 2017
RELATIONSHIP TO ENTITY	INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

PREPARER (SIGNATURE REQUIRED)

Majors and Haley P.C. Chris L Majors CPA

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]	YES	NO	If Yes, date filed:
	☐	☑	

P

RECEIVED
By Justin L. Smith at 12:59 pm, Apr 28, 2017

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE. Attach additional sheets as necessary.

Line #	Description	Governmental Funds: Fund*	Governmental Funds: Fund*	Description	Proprietary/Fiduciary Funds: GENERAL	Proprietary/Fiduciary Funds: Fund*
	Assets			Assets		
1-1	Cash & Cash Equivalents	$ -	$ -	Cash & Cash Equivalents	$ 219,650	$ -
1-2	Investments	$ -	$ -	Investments	$ -	$ -
1-3	Receivables	$ -	$ -	Receivables	$ -	$ -
1-4	Due from Other Entities or Funds	$ -	$ -	Due from Other Entities or Funds	$ -	$ -
	All Other Assets (specify)			Other Current Assets	$ -	$ -
1-5		$ -	$ -	Total Current Assets	$ 219,650	$ -
1-6		$ -	$ -	Capital Assets, net (from Part 6)	$ 365,991	$ -
1-7		$ -	$ -	Other Long Term Assets (specify)		$ -
1-8		$ -	$ -	NOTE RECEIVABLE	$ 6,441	$ -
1-9		$ -	$ -		$ -	$ -
1-10		$ -	$ -		$ -	$ -
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	$ -	$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	$ 592,082	$ -
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	$ -	$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 592,082	$ -
	Liabilities			Liabilities		
1-14	Accounts Payable	$ -	$ -	Accounts Payable	$ -	$ -
1-15	Accrued Payroll and Related Liabilities	$ -	$ -	Accrued Payroll and Related Liabilities	$ 640	$ -
1-16	Accrued Interest Payable	$ -	$ -	Accrued Interest Payable	$ -	$ -
1-17	Due to Other Entities or Funds	$ -	$ -	Due to Other Entities or Funds	$ -	$ -
1-18	All Other Current Liabilities	$ -	$ -	All Other Current Liabilities	$ -	$ -
1-19	TOTAL CURRENT LIABILITIES	$ -	$ -	TOTAL CURRENT LIABILITIES	$ 640	$ -
1-20	All Other Liabilities (specify)	$ -	$ -	Proprietary Debt Outstanding (from Part 4-4)	$ -	$ -
1-21		$ -	$ -	Other Liabilities (specify)	$ -	$ -
1-22		$ -	$ -		$ -	$ -
1-23		$ -	$ -		$ -	$ -
1-24		$ -	$ -		$ -	$ -
1-25		$ -	$ -		$ -	$ -
1-26		$ -	$ -		$ -	$ -
1-27		$ -	$ -		$ -	$ -
1-28	(add lines 1-19 through 1-27) TOTAL LIABILITIES	$ -	$ -	(add lines 1-19 through 1-27) TOTAL LIABILITIES	$ 640	$ -
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -
	Fund Balance			Net Position		
1-30	Nonspendable Prepaid	$ -	$ -	Net Investment in Capital Assets	$ 365,991	$ -
1-31	Nonspendable Inventory	$ -	$ -			
1-32	Restricted (specify)	$ -	$ -	Emergency Reserves	$ 3,884	$ -
1-33	Committed (specify)	$ -	$ -	Other Designations/Reserves	$ -	$ -
1-34	Assigned (specify)	$ -	$ -	Restricted	$ -	$ -
1-35	Unassigned	$ -	$ -	Undesignated/Unreserved/Unrestricted	$ 221,567	$ -
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	$ -	$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	$ 591,442	$ -
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	$ -	$ -	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 592,082	$ -

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

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds: Fund*	Governmental Funds: Fund*	Description	Proprietary/Fiduciary Funds: GENERAL	Proprietary/Fiduciary Funds: Fund*
	Tax Revenue			Tax Revenue		
2-1	Property	$ -	$ -	Property	$ 26,143	$ -
2-2	Specific Ownership	$ -	$ -	Specific Ownership	$ 2,223	$ -
2-3	Sales and Use Tax	$ -	$ -	Sales and Use Tax	$ -	$ -
2-4	Other Tax Revenue (specify):	$ -	$ -	Other Tax Revenue (specify):	$ -	$ -
2-5		$ -	$ -		$ -	$ -
2-6		$ -	$ -		$ -	$ -
2-7		$ -	$ -		$ -	$ -
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	$ -	$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	$ 28,366	$ -
2-9	Licenses and Permits	$ -	$ -	Licenses and Permits	$ -	$ -
2-10	Highway Users Tax Funds (HUTF)	$ -	$ -	Highway Users Tax Funds (HUTF)	$ -	$ -
2-11	Conservation Trust Funds (Lottery)	$ -	$ -	Conservation Trust Funds (Lottery)	$ -	$ -
2-12	Community Development Block Grant	$ -	$ -	Community Development Block Grant	$ -	$ -
2-13	Fire & Police Pension	$ -	$ -	Fire & Police Pension	$ -	$ -
2-14	Grants	$ -	$ -	Grants	$ -	$ -
2-15	Donations	$ -	$ -	Donations	$ -	$ -
2-16	Charges for Sales and Services	$ -	$ -	Charges for Sales and Services	$ 165,036	$ -
2-17	Rental Income	$ -	$ -	Rental Income	$ -	$ -
2-18	Fines and Forfeits	$ -	$ -	Fines and Forfeits	$ -	$ -
2-19	Interest/Investment Income	$ -	$ -	Interest/Investment Income	$ 3,567	$ -
2-20	Tap Fees	$ -	$ -	Tap Fees	$ -	$ -
2-21	Developer Advances	$ -	$ -	Developer Advances	$ -	$ -
2-22	All Other (specify):	$ -	$ -	All Other (specify):	$ -	$ -
2-23		$ -	$ -		$ -	$ -
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	$ -	$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	$ 196,969	$ -
	Other Financing Sources			Other Financing Sources		
2-25	Debt Proceeds	$ -	$ -	Debt Proceeds	$ -	$ -
2-26	Proceeds from Sale of Capital Assets	$ -	$ -	Proceeds from Sale of Capital Assets	$ -	$ -
2-27	Other (specify):	$ -	$ -	Other (specify):	$ -	$ -
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	$ -	$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	$ -	$ -
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	$ -	$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 196,969	$ -

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

GRAND TOTALS $ 196,969

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than $750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Line #	Description	Governmental Funds: Fund*	Governmental Funds: Fund*	Description	Proprietary/Fiduciary Funds: GENERAL	Proprietary/Fiduciary Funds: Fund*
	Expenditures			Expenditures		
3-1	General Government	$ -	$ -	General Operating & Administrative	$ 25,042	$ -
3-2	Judicial	$ -	$ -	Salaries	$ 36,725	$ -
3-3	Law Enforcement	$ -	$ -	Payroll Taxes	$ 3,420	$ -
3-4	Fire	$ -	$ -	Contract Services	$ 2,490	$ -
3-5	Highways & Streets	$ -	$ -	Employee Benefits	$ -	$ -
3-6	Solid Waste	$ -	$ -	Insurance	$ 13,011	$ -
3-7	Contributions to Fire & Police Pension Assoc.	$ -	$ -	Accounting and Legal Fees	$ 2,700	$ -
3-8	Health	$ -	$ -	Repair and Maintenance	$ 32,116	$ -
3-9	Culture and Recreation	$ -	$ -	Supplies	$ 587	$ -
3-10	Other (specify)	$ -	$ -	Utilities	$ 5,810	$ -
3-11		$ -	$ -	Contributions to Fire & Police Pension Assoc.	$ -	$ -
3-12		$ -	$ -	Other (specify)	$ -	$ -
3-13		$ -	$ -	WATER PURCHASES	$ 68,146	$ -
3-14	Capital Outlay	$ -	$ -	Capital Outlay	$ 32,687	$ -
	Debt Service			Debt Service		
3-15	Principal	$ -	$ -	Principal	$ -	$ -
3-16	Interest	$ -	$ -	Interest	$ -	$ -
3-17	Bond Issuance Costs	$ -	$ -	Bond Issuance Costs	$ -	$ -
3-18	Developer Principal Repayments	$ -	$ -	Developer Principal Repayments	$ -	$ -
3-19	Developer Interest Repayments	$ -	$ -	Developer Interest Repayments	$ -	$ -
3-20	All Other (specify)	$ -	$ -	All Other (specify)	$ -	$ -
3-21		$ -	$ -	DIRECTOR FEES	$ 6,310	$ -
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	$ -	$ -	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	$ 228,844	$ -
3-23	Interfund Transfers (In)	$ -	$ -	Net Interfund Transfers (In)	$ -	$ -
3-24	Interfund Transfers Out	$ -	$ -	Net Interfund Transfers Out	$ -	$ -
3-25	Other Expenditures (Revenues)	$ -	$ -	Depreciation	$ 15,679	$ -
3-26		$ -	$ -	Other Financing Sources (Uses) (from line 2-26)	$ -	$ -
3-27		$ -	$ -	Capital Outlay (from line 3-14)	$ 32,687	$ -
3-28		$ -	$ -	Debt Principal (from line 3-15)	$ -	$ -
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	$ -	$ -	(Line 3-26, plus line 3-27, less line 3-24, less line 3-25) TOTAL GAAP RECONCILING ITEMS	$ 17,008	$ -
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	$ -	$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	$ (14,867)	$ -
3-31	Fund Balance, January 1 from December 31 prior year report	$ -	$ -	Net Position, January 1 from December 31 prior year report	$ 606,309	$ -
3-32	Prior Period Adjustment (MUST explain)	$ -	$ -	Prior Period Adjustment (MUST explain)	$ -	$ -
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 **This total should be the same as line 1-36.**	$ -	$ -	Net Position, December 31 Line 3-30 plus line 3-31 **This total should be the same as line 1-36.**	$ 591,442	$ -

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

GRAND TOTAL
$ 228,844

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than $750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

	Please answer the following questions by marking the appropriate boxes.	YES	NO
4-1	Does the entity have outstanding debt?	☐	☑
4-2	Is the debt repayment schedule attached? If no, MUST explain	☐	☐
4-3	Is the entity current in its debt service payments? If no, MUST explain	☐	☐

N/A

4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)	Outstanding at beginning of year	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds	$ -	$ -	$ -	$ -
	Revenue bonds	$ -	$ -	$ -	$ -
	Notes/Loans	$ -	$ -	$ -	$ -
	Leases	$ -	$ -	$ -	$ -
	Developer Advances	$ -	$ -	$ -	$ -
	Other (specify)	$ -	$ -	$ -	$ -
	TOTAL	$ -	$ -	$ -	$ -

	Please answer the following questions by marking the appropriate boxes.		YES	NO
4-5	Does the entity have any authorized, but unissued, debt?		☐	☑
If yes:	How much?	$ -		
	Date the debt was authorized:			
4-6	Does the entity intend to issue debt within the next calendar year?		☐	☑
If yes:	How much?	$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?		☐	☑
If yes:	What is the amount outstanding?	$ -		
4-8	Does the entity have any lease agreements?		☐	☑
If yes:	What is being leased?			
	What is the original date of the lease?			
	Number of years of lease?			
	Is the lease subject to annual appropriation?		☐	☑
	What are the annual lease payments?	$ -		
4-9	Does the entity have a certified mill levy?		☑	☐
If yes:	Please provide the following mills levied for the year reported:	Bond Redemption 0.00		
		General/Other 3.59		
		TOTAL 3.59		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

	Please provide the entity's cash deposit and investment balances.	AMOUNT	TOTAL
5-1	YEAR-END Total of ALL Checking and Savings accounts	$ 29,860	
5-2	Certificates of deposit	$ 189,790	
	TOTAL CASH DEPOSITS		$ 219,650
	Investments (If investment is a mutual fund, please list underlying investments)		
5-3		$ -	
		$ -	
		$ -	
		$ -	
	TOTAL INVESTMENTS		$ -
	TOTAL CASH AND INVESTMENTS		$ 219,650

	Please answer the following question by marking in the appropriate box	YES	NO	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☑	☐	☐
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq., C.R.S.)? If no, MUST explain	☑	☐	☐

Please use this space to provide any explanations or comments:

PART 6 - CAPITAL ASSETS

	Please answer the following question by marking in the appropriate box	YES	NO
6-1	Does the entity have capitalized assets?	☑	☐
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain	☑	☐

Please use this space to provide any explanations or comments:

6-3	Complete the following Capital Assets table for GOVERNMENTAL FUNDS	Balance - beginning of the year	Additions	Deletions	Year-End Balance
	Land	$ -	$ -	$ -	$ -
	Buildings	$ -	$ -	$ -	$ -
	Machinery and equipment	$ -	$ -	$ -	$ -
	Furniture and fixtures	$ -	$ -	$ -	$ -
	Infrastructure	$ -	$ -	$ -	$ -
	Construction in Progress (CIP)	$ -	$ -	$ -	$ -
	Other (explain)	$ -	$ -	$ -	$ -
	Accumulated Depreciation (Enter a negative, or credit, balance)	$ -	$ -	$ -	$ -
	TOTAL	$ -	$ -	$ -	$ -

6-4	Complete the following Capital Assets table for PROPRIETARY FUNDS	Balance - beginning of the year	Additions	Deletions	Year-End Balance
	Land	$ 4,151	$ -	$ -	$ 4,151
	Buildings	$ 34,281	$ -	$ -	$ 34,281
	Machinery and equipment	$ 999,688	$ 32,687	$ -	$ 1,032,375
	Furniture and fixtures	$ -	$ -	$ -	$ -
	Infrastructure	$ -	$ -	$ -	$ -
	Construction in Progress (CIP)	$ -	$ -	$ -	$ -
	Other (explain)	$ -	$ -	$ -	$ -
	Accumulated Depreciation (Enter a negative, or credit, balance)	$ (689,137)	$ (15,679)	$ -	$ (704,816)
	TOTAL	$ 348,983	$ 17,008	$ -	$ 365,991

PART 7 - PENSION INFORMATION

	Please answer the following question by marking in the appropriate box	YES	NO
7-1	Does the entity have an "old hire" firemen's pension plan?	☐	☑
7-2	Does the entity have a volunteer firemen's pension plan?	☐	☑
If yes:	Who administers the plan?		
	Indicate the contributions from:		
	Tax (property, SO, sales, etc.)	$ -	
	State contribution amount	$ -	
	Other (gifts, donations, etc.)	$ -	
	TOTAL	$ -	
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	$ -	

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

	Please answer the following question by marking in the appropriate box	YES	NO	N/A
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain.	☑	☐	☐
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain.	☑	☐	☐

Please use this space to provide any explanations or comments:

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

Fund Name	Budgeted Expenditures
GENERAL	$ 245,750
	$ -
	$ -
	$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

	Please answer the following question by marking in the appropriate box	YES	NO
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	☑	☐

Please use this space to provide any explanations or comments:

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

PART 10 - GENERAL INFORMATION

	Please answer the following question by marking in the appropriate box	YES	NO
10-1	Is this application for a newly formed governmental entity?	☐	☑
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?	☐	☑
If Yes:	NEW name:		
	PRIOR name:		
10-3	Is the entity a metropolitan district?	☐	☑
10-4	Please indicate what services the entity provides:		
10-5	Does the entity have an agreement with another government to provide services?	☐	☑
If yes:	List the name of the other governmental entity and the services provided:		

Please use this space to provide any explanations or comments:

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

OSA USE ONLY

Entity Wide:			General Fund			Governmental Funds			Notes
Unrestricted Cash & Investments	$	219,650	Unrestricted Fund Balanc	$	-	Total Tax Revenue	$	-	
Current Liabilities	$	640	Total Fund Balance	$	-	Revenue Paying Debt Service	$	-	
Deferred Inflow	$	-	PY Fund Balance	$	-	Total Revenue	$	-	
			Total Revenue	$	-	Total Debt Service Principal	$	-	
			Total Expenditures	$	-	Total Debt Service Interest	$	-	
			Interfund In	$	-				
Governmental						**Enterprise Funds**			
Total Cash & Investments	$	-	Interfund Out	$	-	Net Position	$	591,442	
Transfers In	$	-	**Proprietary**			PY Net Position	$	606,309	
Transfers Out	$	-	Current Assets	$	219,650	**Government-Wide**			
Property Tax	$	-	Deferred Outflow	$	-	Total Outstanding Debt	$	-	
Debt Service Principal	$	-	Current Liabilities	$	640	Authorized but Unissued	$	-	
Total Expenditures	$	-	Deferred Inflow	$	-	Year Authorized	$	-	
Total Developer Advances	$	-	Cash & Investments	$	219,650				
Total Developer Repayments	$	-	Principal Expense	$	-				

PART 12 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of $750,000 or less must have an application prepared by ean independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.
Board Member 1	Print Board Member's Name CHRIS BELT	I, CHRIS BELT, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed [signature] Date: 4-6-17 My term Expires: 5/2018
Board Member 2	Print Board Member's Name DAVE EVERETT	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed_____ Date: _____ My term Expires: _____
Board Member 3	Print Board Member's Name DAVE RUCKER	I, Dave Rucker, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed [signature] Date: 4-7-17 My term Expires: 5/2018
Board Member 4	Print Board Member's Name STAN PIERCE	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed_____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name James Steve Blair ~~DON HSN~~	I, James S. Blair, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed [signature] Date: 4-6-17 My term Expires: 5/2018
Board Member 6	Print Board Member's Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed_____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I, _____, attest tha[illegible] at I have personally reviewed and approve this application for exemption from au[illegible] Signed_____ My term Expires: _____

Original Signatures Verified by

Justin L. Smith

Majors and Haley, P.C.
Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

To the Board of Directors
Montezuma County Water District #1
PO Box 314
Cortez, Colorado 81321

Management is responsible for the accompanying application for exemption from audit for the Montezuma County Water District #1 for the calendar year 2016, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements of Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form or were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Colorado State Auditor, which differ from generally accepted principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Sincerely,

Majors and Haley, P.C.

March 29, 2017