

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT **Devonshire Heights Water and Sanitation District**
ADDRESS **2070 Wagon Mound Trail
Las Cruces, NM 88012**

CONTACT PERSON **Steve Schroder**
PHONE **575.312.8415**
EMAIL **smcllc3@msn.com**
FAX

For the Year Ended
12/31/16
or fiscal year ended

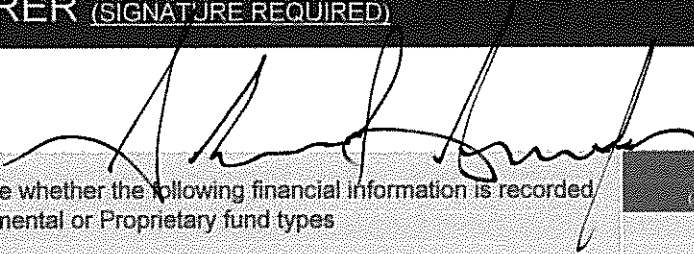
2786.00

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME: **Steve Schroder**
TITLE: **District Manager**
FIRM NAME (if applicable): **Schroder Management Co., LLC**
ADDRESS: **2070 Wagon Mound Trail**
PHONE: **575.312.8415**
DATE PREPARED: **1/31/2017**
(Must be prepared prior to Board approval)

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)

PROPRIETARY
(CASH OR BUDGETARY BASIS)

P

RECEIVED

By Justin L. Smith at 4:39 pm, Mar 21, 2017

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Ta Property	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernment Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ 20,400	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 20,400	

PART 3 - EXPENDITURES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 6,600	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 5,761	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 1,785	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ 1,274	
3-9	Supplies	\$ 149	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ 751	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 16,320	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
4-4	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ 13,188	\$ -	\$ 751	\$ 12,437
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 13,188	\$ -	\$ 751	\$ 12,437

	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:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-9	Does the entity have a certified Mill Levy? If yes: Please provide the following mills levied for the year reported:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Bond Redemption		-
	General/Other		-
	TOTAL		-

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	\$ 39,869	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 39,869
	Investments (if investment is a mutual fund, please list underlying investments):	\$ -	
5-3		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ 39,869

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

		Yes	No
6-1	Does the entity have capital assets?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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:	<input type="checkbox"/>	<input type="checkbox"/>

		Balance - beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
6-3	Complete the following capital assets table:				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain):	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

		Yes	No
7-1	Does the entity have an "old hire" firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 questions by marking in the appropriate boxes.

		Yes	No	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S. ? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Fund Name	Budgeted Expenditures
General	\$ 29,574
Reserves	\$ 29,676

PART 9 - TAXPAYER'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)]?

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.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

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: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

10-4 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

Metro Wastewater for sanitary sewer treatment. Denver Water full service contract. Hillcrest

W/S District for sewer outfall line maintenance

10-5 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.]

If yes: Date Filed:

Please use this space to provide any explanations or comments:

PART 11 - 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 \$100,000 or less must have an application prepared by a person skilled in 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 Dudley Morton	I _____, attest 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: <u>5-20</u>
Board Member 2	Print Board Member's Name Bill Lucas	I _____, attest 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: <u>5-20</u>
Board Member 3	Print Board Member's Name Scott Fisher	I _____, attest 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: <u>5-18</u>
Board Member 4	Print Board Member's Name Kevin Valis	I <u>KEVIN VALIS</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Kevin Valis</u> Date: <u>2-23-17</u> My term Expires: <u>5-20</u>
Board Member 5	Print Board Member's Name vacant	I _____, attest 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 6	Print Board Member's Name	I _____, attest 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 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: _____

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Board Member 3	Print Board Member's Name Scott Fisher	I <u>Scott FISHER</u> , attest 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: <u>3/14/17</u> My term Expires: <u>5-18</u>
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Original Signatures
Verified by
Justin L. Smith


ed board
exemption

ed board
exemption

**WATER POLLUTION CONTROL REVOLVING FUND
 LOAN REPAYMENT SCHEDULE
 HILLCREST WATER AND SANITATION DISTRICT
 Loan Number: #W13F311**

PAYMENT DATES	DEVONSHIRE HEIGHTS Portion	PAYMENT	PRINCIPAL	REMAINING PRINCIPAL	CALCULATED INTEREST
				\$507,047.64	
11/1/2015	\$375.63	\$16,799.12	\$11,728.64	\$495,319.00	\$5,070.48
5/1/2016	\$375.63	\$16,799.12	\$11,845.93	\$483,473.07	\$4,953.19
11/1/2016	\$375.63	\$16,799.12	\$11,964.39	\$471,508.68	\$4,834.73
5/1/2017	\$375.63	\$16,799.12	\$12,084.03	\$459,424.65	\$4,715.09
11/1/2017	\$375.63	\$16,799.12	\$12,204.87	\$447,219.78	\$4,594.25
5/1/2018	\$375.63	\$16,799.12	\$12,326.92	\$434,892.86	\$4,472.20
11/1/2018	\$375.63	\$16,799.12	\$12,450.19	\$422,442.67	\$4,348.93
5/1/2019	\$375.63	\$16,799.12	\$12,574.69	\$409,867.98	\$4,224.43
11/1/2019	\$375.63	\$16,799.12	\$12,700.44	\$397,167.54	\$4,098.68
5/1/2020	\$375.63	\$16,799.12	\$12,827.44	\$384,340.10	\$3,971.68
11/1/2020	\$375.63	\$16,799.12	\$12,955.72	\$371,384.38	\$3,843.40
5/1/2021	\$375.63	\$16,799.12	\$13,085.28	\$358,299.10	\$3,713.84
11/1/2021	\$375.63	\$16,799.12	\$13,216.13	\$345,082.97	\$3,582.99
5/1/2022	\$375.63	\$16,799.12	\$13,348.29	\$331,734.68	\$3,450.83
11/1/2022	\$375.63	\$16,799.12	\$13,481.77	\$318,252.91	\$3,317.35
5/1/2023	\$375.63	\$16,799.12	\$13,616.59	\$304,636.32	\$3,182.53
11/1/2023	\$375.63	\$16,799.12	\$13,752.76	\$290,883.56	\$3,046.36
5/1/2024	\$375.63	\$16,799.12	\$13,890.28	\$276,993.28	\$2,908.84
11/1/2024	\$375.63	\$16,799.12	\$14,029.19	\$262,964.09	\$2,769.93
5/1/2025	\$375.63	\$16,799.12	\$14,169.48	\$248,794.61	\$2,629.64
11/1/2025	\$375.63	\$16,799.12	\$14,311.17	\$234,483.44	\$2,487.95
5/1/2026	\$375.63	\$16,799.12	\$14,454.29	\$220,029.15	\$2,344.83
11/1/2026	\$375.63	\$16,799.12	\$14,598.83	\$205,430.32	\$2,200.29
5/1/2027	\$375.63	\$16,799.12	\$14,744.82	\$190,685.50	\$2,054.30
11/1/2027	\$375.63	\$16,799.12	\$14,892.26	\$175,793.24	\$1,906.86
5/1/2028	\$375.63	\$16,799.12	\$15,041.19	\$160,752.05	\$1,757.93
11/1/2028	\$375.63	\$16,799.12	\$15,191.60	\$145,560.45	\$1,607.52
5/1/2029	\$375.63	\$16,799.12	\$15,343.52	\$130,216.93	\$1,455.60
11/1/2029	\$375.63	\$16,799.12	\$15,496.95	\$114,719.98	\$1,302.17
5/1/2030	\$375.63	\$16,799.12	\$15,651.92	\$99,068.06	\$1,147.20
11/1/2030	\$375.63	\$16,799.12	\$15,808.44	\$83,259.62	\$990.68
5/1/2031	\$375.63	\$16,799.12	\$15,966.52	\$67,293.10	\$832.60
11/1/2031	\$375.63	\$16,799.12	\$16,126.19	\$51,166.91	\$672.93
5/1/2032	\$375.63	\$16,799.12	\$16,287.45	\$34,879.46	\$511.67
11/1/2032	\$375.63	\$16,799.12	\$16,450.33	\$18,429.13	\$348.79
5/1/2033	\$375.63	\$16,799.12	\$16,614.83	\$1,814.30	\$184.29
11/1/2033	\$40.97	\$1,832.44	\$1,814.30	\$0.00	\$18.14
Total	\$13,563.59	\$606,600.76	\$507,047.64		\$99,553.12

12,436.70

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DEVONSHIRE HEIGHTS WATER AND SANITATION DISTRICT

**SERVING THE DEVONSHIRE HEIGHTS SUBDIVISION
CHERRY HILLS VILLAGE, COLORADO**

Schroder Management Co., LLC, District Manager
2070 Wagon Mound Trl., Las Cruces, NM 88012
(575) 312-8415
smcllc3@msn.com

March 14, 2017

Office of the State Auditor
Local Government Audits
1525 Sherman St., 7th Floor
Denver, CO 80203

re. Devonshire Heights Water and Sanitation District 2016 Application for Exemption from Audit

Dear Ms. Dorsey,

Please find enclosed the original and one copy of the completed Application for Exemption from Audit form complete with original signatures of a majority of the Devonshire Heights Water and Sanitation District Board of Directors. The district requests the exemption be granted.

You had several comments concerning the 2014 Audit Exemption as expressed in your letter of July 8, 2015. I used the information that was available to me at that time. The information, generally concerning debt, has been updated and made more specific to the Devonshire Heights W/S district. The loan repayment schedule has been updated and enclosed in the 2016 application for your review.

By way of explanation, the DHWS district is party to an IGA with four other districts to maintain a shared sewer line. Hillcrest Water and Sanitation district was the lead agency in securing a state loan for relining this shared line as well as other unrelated work. 43% of the loan proceeds were spent on the shared line relining. The attached repayment schedule shows DHWS's 5.2% portion of the overall debt. The DHWS district's semi-annual payments are \$375.63. The final installment is due on Nov. 1, 2033. The debt service payments are budgeted as a line item in the General fund. All district expenditures are funded by the annual sewer fee paid by the district landowners.

Please let me know if you have questions or need further information.