

**APPLICATION FOR EXEMPTION FROM AUDIT  
LONG FORM**

NAME OF GOVERNMENT	Mesa Cortina Water & Sanitation District
ADDRESS	PO Box 1189 Silverthorne, CO 80498
CONTACT PERSON	Jeff Leigh
PHONE	970/468-2585
EMAIL	jeffrleigh@gmail.com
FAX	

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

**CERTIFICATION OF PREPARER**

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

NAME	Donna Braun, CPA, CPFO
TITLE	
FIRM NAME (if applicable)	
ADDRESS	376 Cartier Ct, Dillon, CO 80435
PHONE	970/390-0533
DATE PREPARED <small>(Must be Completed prior to Board approval)</small>	2/20/2017
RELATIONSHIP TO ENTITY	Contracted to complete the annual review and report

**PREPARER (SIGNATURE REQUIRED)**

*Donna J Braun, CPA, CPFO*

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	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	If Yes, date filed



**RECEIVED**  
By Justin L. Smith at 7:32 am, Mar 16, 2017

## PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Water/Sewer Fund	Fund*	
<b>Assets</b>							
1-1	Cash & Cash Equivalents	\$	- \$	Cash & Cash Equivalents	\$	193,258	\$ -
1-2	Investments	\$	- \$	Investments	\$	19,609	\$ -
1-3	Receivables	\$	- \$	Receivables	\$	89,230	\$ -
1-4	Due from Other Entities or Funds	\$	- \$	Due from Other Entities or Funds	\$	-	\$ -
	All Other Assets (specify)	\$	- \$	Other Current Assets	\$	-	\$ -
1-5		\$	- \$		\$	-	\$ -
1-6		\$	- \$	<b>Total Current Assets</b>	\$	302,097	\$ -
1-7		\$	- \$	Capital Assets, net (from Part 4)	\$	845,231	\$ -
1-8		\$	- \$	Other Long Term Assets (specify)	\$	-	\$ -
1-9		\$	- \$	Investment in Joint Sewer Authority	\$	112,110	\$ -
1-10		\$	- \$		\$	-	\$ -
1-11	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$	- \$	(add lines 1-4 through 1-10) <b>TOTAL ASSETS</b>	\$	1,259,438	\$ -
1-12	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$	- \$	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$	-	\$ -
1-13	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$	- \$	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$	1,259,438	\$ -
<b>Liabilities</b>							
1-14	Accounts Payable	\$	- \$	Accounts Payable	\$	36,236	\$ -
1-15	Accrued Payroll and Related Liabilities	\$	- \$	Accrued Payroll and Related Liabilities	\$	26	\$ -
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	<b>TOTAL CURRENT LIABILITIES</b>	\$	- \$	<b>TOTAL CURRENT LIABILITIES</b>	\$	36,263	\$ -
1-20	All Other Liabilities (specify)	\$	- \$	Proprietary Debt Outstanding (from Part 4)	\$	202,727	\$ -
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) <b>TOTAL LIABILITIES</b>	\$	- \$	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	\$	238,990	\$ -
1-29	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$	- \$	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$	-	\$ -
<b>Fund Balance</b>							
1-30	Nonspendable Prepaid	\$	- \$	Net Position			
1-31	Nonspendable Inventory	\$	- \$	Net Investment in Capital Assets	\$	642,504	\$ -
1-32	Restricted (specify)	\$	- \$	Emergency Reserves	\$	-	\$ -
1-33	Committed (specify)	\$	- \$	Other Designations/Reserves	\$	-	\$ -
1-34	Assigned (specify)	\$	- \$	Restricted	\$	-	\$ -
1-35	Unassigned	\$	- \$	Unassigned/Unreserved/Unrestricted	\$	377,944	\$ -
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$	- \$	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$	1,020,448	\$ -
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$	- \$	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$	1,259,438	\$ -

**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Water/Sewer Fund	Fund*	
	<b>Tax Revenue</b>			<b>Tax Revenue</b>			
2-1	Property	\$ -	\$ -	Property	\$ -	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
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 <b>TOTAL TAX REVENUE</b>	\$ -	\$ -	Add lines 2-1 through 2-7 <b>TOTAL TAX REVENUE</b>	\$ -	\$ -	
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 (Library)	\$ -	\$ -	Conservation Trust Funds (Library)	\$ -	\$ -	
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	\$ 50,000	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 352,823	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 10,376	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ 12,688	\$ -	
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 <b>TOTAL REVENUES</b>	\$ -	\$ -	Add lines 2-8 through 2-23 <b>TOTAL REVENUES</b>	\$ 425,887	\$ -	
	<b>Other Financing Sources</b>			<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ 150,000	\$ -	
2-26	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-27	Other (specify)	\$ -	\$ -	Other	\$ -	\$ -	
2-28	Add lines 2-25 through 2-27 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	Add lines 2-25 through 2-27 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ 150,000	\$ -	
2-29	Add lines 2-24 and 2-28 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	Add lines 2-24 and 2-28 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 575,887	\$ -	<b>GRAND TOTALS</b>

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 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:  The debt is two loans with Alpine Bank Dillon. One loan has a balance of \$57,124, 3.25% interest rate, 8 year term, issued in November of 2012 and is scheduled to be paid in full in 2018. The second loan was issued in September of 2016, with a 10 year term, 3% interest rate, scheduled to be paid in full in 2026. Both loan proceeds have been used for capital projects.
4-2 Is the debt repayment schedule attached? If no, MUST explain.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3 Is the entity current in its debt service payments? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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
General obligation bonds	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -
Notes/Loans	\$ 86,885	\$ 150,000	\$ 34,157
Leases	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -
Other (specify)	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 86,885</b>	<b>\$ 150,000</b>	<b>\$ 34,157</b>

Please answer the following questions by marking the appropriate boxes.

	YES	NO	
4-5 Does the entity have any authorized, but unissued, debt?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please use this space to provide any explanations or comments:
If yes: How much?			
If yes: Date the debt was authorized			
4-6 Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: How much?			Please use this space to provide any explanations or comments:
4-7 Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: What is the amount outstanding?			
4-8 Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: What is being leased?			Please use this space to provide any explanations or comments:
What is the original date of the lease?			
Number of years of lease?			
Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
What are the annual lease payments?	\$ -		Please use this space to provide any explanations or comments:
4-9 Does the entity have a certified mill levy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: Please provide the following mills levied for the year reported			
	Bond Redemption 0.00		
	General/Other 0.00		
	<b>TOTAL 0.00</b>		

## 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	\$ 65,814		Please use this space to provide any explanations or comments:
5-2 Certificates of deposit	\$ 127,444		
<b>TOTAL CASH DEPOSITS</b>		\$ 193,258	
Investments (if investment is a mutual fund, please list underlying investments)			
5-3 Colortrust Government Pool	\$ 19,609		Please use this space to provide any explanations or comments:
	\$ -		
	\$ -		
	\$ -		
<b>TOTAL INVESTMENTS</b>		\$ 19,609	
<b>TOTAL CASH AND INVESTMENTS</b>		<b>\$ 212,867</b>	

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.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box

YES                      NO

Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets?  YES       NO
- 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  YES       NO

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)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	\$ 5,000	\$ -	\$ 5,000	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ 2,418,659	\$ 269,841	\$ -	\$ 2,688,500
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative or credit balance)	\$ (1,796,893)	\$ (46,577)	\$ -	\$ (1,843,269)
<b>TOTAL</b>	<b>\$ 626,967</b>	<b>\$ 223,264</b>	<b>\$ 5,000</b>	<b>\$ 845,231</b>

## PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box

YES                      NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firemen's pension plan?  YES       NO
- 7-2 Does the entity have a volunteer firemen's pension plan?  YES       NO

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.)	\$ -
State contribution amount	\$ -
Other (gifts, donations, etc.)	\$ -
<b>TOTAL</b>	<b>\$ -</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? \$ -



## 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 an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

**Print the names of all current governing board members below.**

**A MAJORITY of the governing board members must complete and sign in the column below.**

		Print Board Member's Name	
Board Member	1	Stan Wagon	I, <u>Stan Wagon</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Stan Wagon</u> Date: <u>3/7/2017</u> My term Expires: <u>2019</u>
Board Member	2	Jonathan Whinston	I, <u>Jonathan Whinston</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Jonathan Whinston</u> Date: <u>3/7/17</u> My term Expires: <u>3/2018</u>
Board Member	3	GREGORY O'NEILL	I, <u>Greg O'Neill</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Greg O'Neill</u> Date: <u>3/7/17</u> My term Expires: <u>2019</u>
Board Member	4	Randy Rehn	I, <u>Randy Rehn</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Randy Rehn</u> Date: <u>3/7/17</u> My term Expires: <u>2018</u>
Board Member	5		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	6		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		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: _____

MESA CORTINA WATER AND SANITATION DISTRICT  
SUMMIT COUNTY, COLORADO  
RESOLUTION # 2017-3-1

**A RESOLUTION APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL  
YEAR 2016 FOR THE MESA CORTINA WATER AND SANITATION DISTRICT**

WHEREAS, the Mesa Cortina Water and Sanitation District Board of Directors wishes to claim exemption from the audit requirement of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S. states that any local government where neither revenues nor expenditures exceed five hundred thousand dollars may, with the approval of the state auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

WHEREAS, neither revenues nor expenditures for Mesa Cortina Water and Sanitation District exceeded \$750,000 for fiscal year 2016; and

WHEREAS, an application for exemption from audit for Mesa Cortina Water and Sanitation District has been prepared by Donna Braun CPA, an independent accountant who is skilled in government accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulation issued by the state auditor.

NOW, THEREFORE, BE IT RESOLVED BY THE MESA CORTINA WATER  
AND SANITATION DISTRICT BOARD OF DIRECTORS THAT:

The application for exemption from audit for Mesa Cortina Water and Sanitation District for the fiscal year ended December 31, 2016, has been reviewed and is hereby approved by a majority of the Board of Directors of the Mesa Cortina Water and Sanitation District; that those members of the Board of Directors have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of the application for exemption from audit of the Mesa Cortina Water and Sanitation District for the fiscal year ended December 31, 2016.

INTRODUCED, READ AND ADOPTED ON THE 7 DAY OF  
MARCH, 2017.

THE MESA CORTINA WATER AND SANITATION DISTRICT, SUMMIT COUNTY, COLORADO

By: \_\_\_\_\_  
William Jack, Board Chairman

ATTEST:

By: Gregory B. O'Neill  
Greg O'Neill, District Secretary & Board Member

Board Members

Signature

Stan Wagon

Stan Wagon

Jonathan Whinston

[Signature]

Randy Rehn

Randy Rehn