

APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM

NAME OF GOVERNMENT **Timbers Water and Sanitation District**
ADDRESS **PO Box 773703
Steamboat Springs, CO 80477**
CONTACT PERSON **Kasey O'Halloran**
PHONE **970-846-2476**
EMAIL **kaseyohalloran1@gmail.com**
FAX

2960.00

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: **Christopher J. Catterson, CPA**
TITLE **Principal**
FIRM NAME (if applicable) **Catterson & Company, PC**
ADDRESS **PO Box 883243, Steamboat Springs, CO 80488**
PHONE **970-870-0563**
DATE PREPARED **March 10, 2017**
(Must be Completed prior to Board approval)
RELATIONSHIP TO ENTITY **Independent Accountant**

PREPARER (SIGNATURE REQUIRED)

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 7:57 am, Mar 22, 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* | Water Act Ent Fund* | |
| Assets | | | | | | | |
| 1-1 | Cash & Cash Equivalents | \$ | - \$ | - Cash & Cash Equivalents | \$ | 83,243 | \$ 2,232 |
| 1-2 | Investments | \$ | - \$ | - Investments | \$ | - | \$ - |
| 1-3 | Receivables | \$ | - \$ | - Receivables | \$ | 11,560 | \$ - |
| 1-4 | Due from Other Entities or Funds | \$ | - \$ | - Due from Other Entities or Funds | \$ | 40,228 | \$ - |
| | All Other Assets (specify) | \$ | - \$ | - Other Current Assets | \$ | - | \$ - |
| 1-5 | | \$ | - \$ | | | | |
| 1-6 | | \$ | - \$ | - Capital Assets, net (from Part | \$ | 450,903 | \$ 1,132,112 |
| 1-7 | | \$ | - \$ | - Other Long Term Assets (specify) | \$ | - | \$ - |
| 1-8 | | \$ | - \$ | - Property Taxes Receivable | \$ | 116,265 | \$ - |
| 1-9 | | \$ | - \$ | - Interfund Balance | \$ | 571,675 | \$ - |
| 1-10 | | \$ | - \$ | | \$ | - | \$ - |
| 1-11 | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ | - \$ | - (add lines 1-1 through 1-10) TOTAL ASSETS | \$ | 1,273,874 | \$ 1,134,344 |
| 1-12 | TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ | - \$ | - TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ | - | \$ - |
| 1-13 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ | - \$ | - TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ | 1,273,874 | \$ 1,134,344 |
| Liabilities | | | | | | | |
| 1-14 | Accounts Payable | \$ | - \$ | - Accounts Payable | \$ | 62,691 | \$ 920 |
| 1-15 | Accrued Payroll and Related Liabilities | \$ | - \$ | - Accrued Payroll and Related Liabilities | \$ | - | \$ - |
| 1-16 | Accrued Interest Payable | \$ | - \$ | - Accrued interest Payable | \$ | - | \$ 6,360 |
| 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 | \$ | 62,691 | \$ 7,280 |
| 1-20 | All Other Liabilities (specify) | \$ | - \$ | - Proprietary Debt Outstanding (from Part 4-4) | \$ | 370,685 | \$ 381,593 |
| 1-21 | | \$ | - \$ | - Other Liabilities (specify) | \$ | - | \$ - |
| 1-22 | | \$ | - \$ | - Interfund Balance | \$ | - | \$ 571,675 |
| 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 | \$ | 433,376 | \$ 960,548 |
| 1-29 | TOTAL DEFERRED INFLOWS OF RESOURCES | \$ | - \$ | - TOTAL DEFERRED INFLOWS OF RESOURCES | \$ | 116,265 | \$ - |
| Fund Balance | | | | | | | |
| 1-30 | Nonspendable Prepaid | \$ | - \$ | - Net Investment in Capital Assets | \$ | 651,893 | \$ 178,843 |
| 1-31 | Nonspendable Inventory | \$ | - \$ | | | | |
| 1-32 | Restricted (specify) | \$ | - \$ | - Emergency Reserves | \$ | 8,335 | \$ - |
| 1-33 | Committed (specify) | \$ | - \$ | - Other Designations/Reserves | \$ | - | \$ - |
| 1-34 | Assigned (specify) | \$ | - \$ | - Restricted | \$ | 19,000 | \$ - |
| 1-35 | Unassigned | \$ | - \$ | - Undesignated/Unreserved/Unrestricted | \$ | 45,005 | \$ (5,047) |
| 1-36 | Add lines 1-30 through 1-35 This total should be the same as line 1-29 | \$ | - \$ | Add lines 1-30 through 1-35 This total should be the same as line 1-29 | \$ | | |
| | TOTAL FUND BALANCE | \$ | - \$ | - TOTAL NET POSITION | \$ | 724,233 | \$ 173,796 |
| 1-37 | Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 | \$ | - \$ | 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 | \$ | - \$ | - TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$ | 1,273,874 | \$ 1,134,344 |

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* | Water Act Ent Fund* | |
| | Tax Revenue | | | Tax Revenue | | | |
| 2-1 | Property | \$ | - \$ | - Property | \$ 112,222 | \$ - | |
| 2-2 | Specific Ownership | \$ | - \$ | - Specific Ownership | \$ 8,303 | \$ - | |
| 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 | \$ 120,525 | \$ - | |
| 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 | \$ 65,867 | \$ - | |
| 2-15 | Donations | \$ | - \$ | - Donations | \$ - | \$ - | |
| 2-16 | Charges for Sales and Services | \$ | - \$ | - Charges for Sales and Services | \$ 148,505 | \$ - | |
| 2-17 | Rental Income | \$ | - \$ | - Rental Income | \$ 2,075 | \$ - | |
| 2-18 | Fines and Forfeits | \$ | - \$ | - Fines and Forfeits | \$ - | \$ - | |
| 2-19 | Interest/Investment Income | \$ | - \$ | - Interest/Investment Income | \$ 4,601 | \$ - | |
| 2-20 | Tap Fees | \$ | - \$ | - Tap Fees | \$ - | \$ - | |
| 2-21 | Developer Advances | \$ | - \$ | - Developer Advances | \$ - | \$ - | |
| 2-22 | All Other (specify): | \$ | - \$ | - All Other (specify): | \$ - | \$ - | |
| 2-23 | | \$ | - \$ | - Miscellaneous | \$ 2,120 | \$ - | |
| 2-24 | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ | - \$ | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ 343,693 | \$ - | |
| | 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 | \$ 343,693 | \$ - | GRAND TOTALS |
| | | | | | | | \$ 343,693 |

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 29-1-804, C.R.S., or contact the DSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

| 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* | Water Act Ent Fund* | |
| 3-1 | Expenditures General Government | \$ | - \$ | - General Operating & Administrative | \$ 38,302 | \$ 7,220 | |
| 3-2 | Judicial | \$ | - \$ | - Salaries | \$ - | \$ - | |
| 3-3 | Law Enforcement | \$ | - \$ | - Payroll Taxes | \$ - | \$ - | |
| 3-4 | Fire | \$ | - \$ | - Contract Services | \$ 17,630 | \$ 12,216 | |
| 3-5 | Highways & Streets | \$ | - \$ | - Employee Benefits | \$ - | \$ - | |
| 3-6 | Solid Waste | \$ | - \$ | - Insurance | \$ 4,542 | \$ - | |
| 3-7 | Contributions to Fire & Police Pension Assoc. | \$ | - \$ | - Accounting and Legal Fees | \$ 6,498 | \$ - | |
| 3-8 | Health | \$ | - \$ | - Repair and Maintenance | \$ 1,398 | \$ 3,593 | |
| 3-9 | Culture and Recreation | \$ | - \$ | - Supplies | \$ 237 | \$ 4,054 | |
| 3-10 | Other (specify): | \$ | - \$ | - Utilities | \$ 4,243 | \$ 7,012 | |
| 3-11 | | \$ | - \$ | - Contributions to Fire & Police Pension Assoc. | \$ - | \$ - | |
| 3-12 | | \$ | - \$ | - Other (specify) | \$ - | \$ - | |
| 3-13 | | \$ | - \$ | | \$ - | \$ - | |
| 3-14 | Capital Outlay | \$ | - \$ | - Capital Outlay | \$ 150,588 | \$ - | |
| | Debt Service | | | - Debt Service | | | |
| 3-15 | Principal | \$ | - \$ | - Principal | \$ 26,429 | \$ 20,517 | |
| 3-16 | Interest | \$ | - \$ | - Interest | \$ 2,604 | \$ 19,764 | |
| 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 | | \$ | - \$ | | \$ - | \$ - | |
| 3-22 | Add lines 3-1 through 3-21 TOTAL EXPENDITURES | \$ | - \$ | Add lines 3-1 through 3-21 TOTAL EXPENDITURES | \$ 252,469 | \$ 74,376 | \$ 326,845 |
| 3-23 | Interfund Transfers (In) | \$ | - \$ | - Net Interfund Transfers (In) | \$ - | \$ (74,000) | |
| 3-24 | Interfund Transfers out | \$ | - \$ | - Net Interfund Transfers out | \$ 74,000 | \$ - | |
| 3-25 | Other Expenditures (Revenues): | \$ | - \$ | - Depreciation | \$ 7,299 | \$ 30,589 | |
| 3-26 | | \$ | - \$ | - Other Financing Sources (Uses) (from line 2-28) | \$ - | \$ - | |
| 3-27 | | \$ | - \$ | - Capital Outlay (from line 3-14) | \$ 150,588 | \$ - | |
| 3-28 | | \$ | - \$ | - Debt Principal (from line 3-15) | \$ 26,429 | \$ 20,517 | |
| 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 | \$ 169,718 | \$ (10,072) | |
| 3-30 | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 3-29, less line 3-22, plus line 3-29 | \$ | - \$ | Net Increase (Decrease) in Net Position Line 3-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-23 | \$ 186,942 | \$ (10,448) | |
| 3-31 | Fund Balance, January 1 from December 31 prior year report | \$ | - \$ | Net Position, January 1 from December 31 prior year report | \$ 537,291 | \$ 184,244 | |
| 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. | \$ 724,233 | \$ 173,796 | |

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) 859-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

| | | | | | |
|-----|---|--------------------|-------------------------------------|--------------------------|-------------------|
| 4-1 | Does the entity have outstanding debt? | | <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"/> | |
| 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 | \$ 799,224 | \$ - | \$ 46,946 | \$ 752,278 |
| | Leases | \$ - | \$ - | \$ - | - |
| | Developer Advances | \$ - | \$ - | \$ - | - |
| | Other (specify): | \$ - | \$ - | \$ - | - |
| | TOTAL | \$ 799,224 | \$ - | \$ 46,946 | \$ 752,278 |

| | | | |
|--|--|-------------------------------------|-------------------------------------|
| 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"/> |
| | How much? | \$ - | |
| | Date the debt was authorized: | | |
| 4-6 | Does the entity intend to issue debt within the next calendar year? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | How much? | \$ 1,000,000 | |
| 4-7 | Does the entity have debt that has been refinanced that it is still responsible for? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | What is the amount outstanding? | \$ - | |
| 4-8 | Does the entity have any lease agreements? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | What is being leased? | | |
| | What is the original date of the lease? | | |
| | Number of years of lease? | | |
| | Is the lease subject to annual appropriation? | <input type="checkbox"/> | <input type="checkbox"/> |
| | What are the annual lease payments? | \$ - | |
| 4-9 | Does the entity have a certified mill levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Please provide the following mills levied for the year reported: | | |
| | Bond Redemption | 8.344 | |
| | General/Other | 31.502 | |
| | TOTAL | 39.846 | |

PART 5 - CASH AND INVESTMENTS

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

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

| | | | | |
|-----|---|-------------|--|------------------|
| 5-1 | YEAR-END Total of ALL Checking and Savings accounts | \$ 85,475 | | |
| 5-2 | Certificates of deposit | \$ - | | |
| | TOTAL CASH DEPOSITS | \$ - | | \$ 85,475 |
| | Investments (if investment is a mutual fund, please list underlying investments): | | | |
| | | \$ - | | |
| | | \$ - | | |
| 5-3 | | \$ - | | |
| | | \$ - | | |
| | TOTAL INVESTMENTS | \$ - | | - |
| | TOTAL CASH AND INVESTMENTS | \$ - | | \$ 85,475 |

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 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.)? 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) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

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

| | Balance - beginning of the year | Additions | Deletions | Year-End Balance |
|---|---------------------------------|-------------|-----------|------------------|
| Land | \$ 10,000 | \$ - | \$ - | \$ 10,000 |
| Buildings | \$ - | \$ - | \$ - | \$ - |
| Machinery and equipment | \$ 15,726 | \$ - | \$ - | \$ 15,726 |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ 1,515,529 | \$ - | \$ - | \$ 1,515,529 |
| Construction In Progress (CIP) | \$ 112,861 | \$ 150,588 | \$ - | \$ 263,449 |
| Other (explain) | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ (183,801) | \$ (37,888) | \$ - | \$ (221,689) |
| TOTAL | \$ 1,470,315 | \$ 112,700 | \$ - | \$ 1,583,015 |

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, S.C. 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? \$ -

PART 8 - BUDGET INFORMATION

| Please answer the following question by marking in the appropriate box | YES | NO | N/A | Please use this space to provide any explanations or comments: |
|--|-------------------------------------|--------------------------|--------------------------|--|
| 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: | <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 | | | |
| Water & Sewer Fund | \$ | 315,423 | | |
| Water Activity Enterprise Fund | \$ | 79,483 | | |
| | \$ | - | | |
| | \$ | - | | |

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

| Please answer the following question by marking in the appropriate box | YES | NO | Please use this space to provide any explanations or comments: |
|---|-------------------------------------|--------------------------|--|
| 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. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

PART 10 - GENERAL INFORMATION

| Please answer the following question by marking in the appropriate box | YES | NO | Please use this space to provide any explanations or comments: |
|--|--------------------------|-------------------------------------|--|
| 10-1 Is this application for a newly formed governmental entity? If yes: Date of formation: | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 10-2 Has the entity changed its name in the past or current year? If Yes: NEW name PRIOR name | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 10-3 Is the entity a metropolitan district? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 10-4 Please indicate what services the entity provides: Water and sanitation services to residents within the District boundaries. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 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: | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |

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

OSA USE ONLY

| Entity Wide: | General Fund | Governmental Funds | Enterprise Funds | Notes |
|------------------------------------|--------------|------------------------------|------------------|-----------------------------------|
| Unrestricted Cash & Investments \$ | 85,475 | Unrestricted Fund Balance \$ | - | Total Tax Revenue \$ |
| Current Liabilities \$ | 69,971 | Total Fund Balance \$ | - | Revenue Paying Debt Service \$ |
| Deferred Inflow \$ | 110,265 | PY Fund Balance \$ | - | Total Revenue \$ |
| | | Total Revenue \$ | - | Total Debt Service Principal \$ |
| | | Total Expenditures \$ | - | Total Debt Service Interest \$ |
| | | Interfund In \$ | - | |
| Governmental | | Interfund Out \$ | - | |
| Total Cash & Investments \$ | | Proprietary \$ | - | |
| Transfers In \$ | | Current Assets \$ | 137,263 | Net Position \$ 898,029 |
| Transfers Out \$ | | Deferred Outflow \$ | - | PY Net Position \$ 721,535 |
| Property Tax \$ | | Current Liabilities \$ | 69,971 | Government-Wide |
| Debt Service Principal \$ | | Deferred Inflow \$ | 110,265 | Total Outstanding Debt \$ 752,278 |
| Total Expenditures \$ | | Cash & Investments \$ | 85,475 | Authorized but Unissued \$ |
| Total Developer Advances \$ | | Principal Expense \$ | 48,948 | Year Authorized \$ |
| Total Developer Repayments \$ | | | | |

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.

| Board Member | Print Board Member's Name | |
|--------------|---------------------------|--|
| 1 | RONALD KRALL | I, <u>RONALD KRALL</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>[Signature]</u> Date: <u>3-13-17</u> My term Expires: _____ |
| 2 | GARY OSTEEEN | I, <u>GARY OSTEEEN</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>[Signature]</u> Date: <u>3-13-17</u> My term Expires: _____ |
| 3 | ASHLEY J LESNIAK | I, <u>[Signature]</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>ASHLEY LESNIAK</u> Date: <u>3-13-17</u> My term Expires: _____ |
| 4 | BROCK KNEZ | I, <u>BROCK KNEZ</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>[Signature]</u> Date: <u>3-13-17</u> My term Expires: _____ |
| 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: _____ |
| 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: _____ |
| 7 | | I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this appli Signed _____ Date: _____ My term Expires: _____ |

**Original Signatures
Verified by**

Justin L. Smith

[Signature]

Timbers Water and Sanitation District
 Aggregate Long-Term Debt Maturity Schedule
 12/31/2016

| Year Ended December 31, | Principal | Interest | Total |
|-------------------------|-------------------|-------------------|-------------------|
| 2017 | \$ 48,243 | \$ 21,412 | \$ 69,655 |
| 2018 | 49,600 | 20,054 | 69,654 |
| 2019 | 51,020 | 18,635 | 69,655 |
| 2020 | 52,505 | 17,151 | 69,656 |
| 2021 | 54,058 | 15,598 | 69,656 |
| 2022-2026 | 272,475 | 52,737 | 325,212 |
| 2027-2031 | 198,127 | 11,242 | 209,369 |
| 2032-2033 | 26,250 | - | 26,250 |
| Total | \$ 752,278 | \$ 156,829 | \$ 909,107 |

2155 Resort Drive, Suite 222
P.O. Box 883243
Steamboat Springs, CO 80488
970-870-0563 phone
970-870-6002 fax

CATTERSON
& COMPANY, P.C.
Certified Public Accountants

Accountant's Compilation Report

Board of Directors
Timbers Water and Sanitation District
Routt County, Colorado

Management is responsible for the accompanying financial statements of the Timbers Water and Sanitation District as of December 31, 2016 and for the year then ended included in the form prescribed by the Colorado Office of the State Auditor. The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Colorado Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants.

We did not audit or review the financial statements nor 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.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and the Timbers Water and Sanitation District management and is not intended to be and should not be used by anyone other than these specified parties.

Catterson & Company, P.C.

March 16, 2017
Steamboat Springs, Colorado