

**APPLICATION FOR EXEMPTION FROM AUDIT  
LONG FORM**

NAME OF GOVERNMENT	Headwater Authority of the South Platte	For the Year Ended 12/31/2016 or fiscal year ended:
ADDRESS	PO Box 1566 Fairplay, CO 80440	
CONTACT PERSON	Tom Wells, Treasurer	5013.00
PHONE	(303) 548-5237	
EMAIL	Tom.Wells@HASPwater.com	
FAX		

**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:	Linda O'Rourke
TITLE	Certified Public Accountant
FIRM NAME (if applicable)	Linda J. O'Rourke CPA PC
ADDRESS	26697B Pleasant Park Rd #250, Conifer CO 80433
PHONE	(303) 816-4764
DATE PREPARED <small>(Must be Completed prior to Board approval)</small>	3/20/2017
RELATIONSHIP TO ENTITY	Independent Accountant

**PREPARER (SIGNATURE REQUIRED)**

*L. J. O'Rourke*

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 <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	If Yes, date filed:
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**RECEIVED**  
By Justin L. Smith at 9:46 am, Apr 12, 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	
		Fund*	Fund*		Business Type Activity Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 92,011	\$ -
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ -	\$ -	Receivables	\$ 4,052	\$ -
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -
	All Other Assets (specify)			Other Current Assets	\$ -	\$ -
1-5		\$ -	\$ -	<b>Total Current Assets</b>	\$ 96,064	\$ -
1-6		\$ -	\$ -	Capital Assets, net (from Part 2)	\$ 59,126	\$ -
1-7		\$ -	\$ -	Other Long Term Assets (specify)	\$ -	\$ -
1-8		\$ -	\$ -		\$ -	\$ -
1-9		\$ -	\$ -		\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ -	\$ -	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ 155,190	\$ -
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>	\$ 155,190	\$ -
<b>Liabilities</b>				<b>Liabilities</b>		
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 13,454	\$ -
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
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>	\$ 13,454	\$ -
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) <b>TOTAL LIABILITIES</b>	\$ -	\$ -	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	\$ 13,454	\$ -
1-29	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -
<b>Fund Balance</b>				<b>Net Position</b>		
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 59,126	\$ -
1-31	Nonspendable Inventory	\$ -	\$ -		\$ -	\$ -
1-32	Restricted (specify)	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-33	Committed (specify)	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-34	Assigned (specify)	\$ -	\$ -	Restricted	\$ -	\$ -
1-35	Unassigned	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 82,610	\$ -
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>	\$ 141,736	\$ -
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>	\$ 155,190	\$ -

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

**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*		Business Type Activity 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	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	<b>Add lines 2-1 through 2-7 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 (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	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 4	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-22	All Other (specify):	\$ -	\$ -	All Other - Lease Revenues & Water Charges	\$ 63,510	\$ -	
2-23		\$ -	\$ -	Application & Admin Fees	\$ 20,004	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 83,518	\$ -	
	<b>Other Financing Sources</b>			<b>Other Financing Sources</b>			
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	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 83,518	\$ -	<b>GRAND TOTALS</b>
					\$ 83,518	\$ -	\$ 83,518

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		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		Fund*	Fund*		Business Type Activity Fund	Fund*	
	<b>Expenditures</b>			<b>Expenditures</b>			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 33,024	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ 32	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 103,254	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Other (specify)	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11		\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other (specify)	\$ -	\$ -	
3-13		\$ -	\$ -	Engineering	\$ 30,973	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	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		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ 167,282	\$ -	
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENDITURES</b>			<b>\$ 167,282</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In)	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Net Interfund Transfers Out	\$ -	\$ -	
3-25	Other Expenditures (Revenues)	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>	\$ -	\$ -	<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>	\$ -	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>			<b>TOTAL GAAP RECONCILING ITEMS</b>			
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	\$ (83,764)	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 225,500	\$ -	
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.	\$ 141,736	\$ -	

**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?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
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"/>
Please answer the following questions by marking the appropriate boxes.				YES	NO
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):	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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"/>
	If yes: How much?	\$ -			
	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?	\$ -			
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 checked="" type="checkbox"/>	<input type="checkbox"/>
	If yes: What is being leased?	Office space			
	What is the original date of the lease?				
	Number of years of lease?	monthly			
	Is the lease subject to annual appropriation?			<input type="checkbox"/>	<input type="checkbox"/>
	What are the annual lease payments?	\$ 4,500			
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</b>	<b>0.00</b>		

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		\$ 92,011		
5-2	Certificates of deposit:		\$ -		
	<b>TOTAL CASH DEPOSITS</b>			\$ 92,011	
	Investments (if investment is a mutual fund, please list underlying investments):				
5-3			\$ -		
			\$ -		
			\$ -		
			\$ -		
	<b>TOTAL INVESTMENTS</b>			\$ -	
	<b>TOTAL CASH AND INVESTMENTS</b>			\$ 92,011	
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"/>
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"/>

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?	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	
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>		\$ -	-	-
6-4	Complete the following Capital Assets table for PROPRIETARY 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: Water Rights, non-depreciable	\$ 59,126	-	-	59,126
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	-	-	-
<b>TOTAL</b>		\$ 59,126	-	59,126

Please use this space to provide any explanations or comments:

## 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?	<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, GO, sales, etc.)	\$ -	
	State contribution amount:	\$ -	
	Other (gifts, donations, etc.)	\$ -	
<b>TOTAL</b>		\$ -	
	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:	<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 (Business Type Activity)		\$	116,430	
		\$		
		\$		
		\$		

Please use this space to provide any explanations or comments:

## 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)]?	Exempt	<input type="checkbox"/>

Please use this space to provide any explanations or comments:

Entity is EXEMPT from TABOR. Entity operates as a Water Authority and performs "enterprise activities". Entity does not have the authority to tax but can issue debt. See attached references derived from regulator manual.

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: Date of formation:			
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes: NEW name			
PRIOR name			
10-3	Is the entity a metropolitan district?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-4	Please indicate what services the entity provides:		
10-5	Does the entity have an agreement with another government to provide services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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 \$	92,011 Unrestricted Fund Balance \$	Total Tax Revenue \$	
Current Liabilities \$	13,454 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 \$		
	- Interfund Out \$		
	- Proprietary \$	- Enterprise Funds	
Governmental	- Current Assets \$	Net Position \$	141,736
Total Cash & Investments \$	- Deferred Outflow \$	98,064 PY Net Position \$	225,500
Transfers In \$	- Current Liabilities \$	- Government-Wide	
Transfers Out \$	- Deferred Inflow \$	13,454 Total Outstanding Debt \$	
Property Tax \$	- Cash & Investments \$	- Authorized but Unissued \$	
Debt Service Principal \$	- Principal Expense \$	92,011 Year Authorized \$	
Total Expenditures \$			
Total Developer Advances \$			
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 1	Print Board Member's Name  David B. Wissel	I, <u>David B. Wissel</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>3/25/2017</u> My term Expires: <u>2018</u>	
Board Member 2	Print Board Member's Name  Daniel J. Drucker	I, <u>DANIEL J. DRUCKER</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>3/28/2017</u> My term Expires: <u>2018</u>	
Board Member 3	Print Board Member's Name  Tom Wells	I, <u>TOM WELLS</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>3/24/2017</u> My term Expires: <u>2018</u>	
Board Member 4	Print Board Member's Name  Elizabeth McVicker	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	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	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 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: _____	

**Original Signatures  
Verified by**

Justin L. Smith



assistance regarding TABOR elections, contact the Division of Local Government. For contact and Web site information for the Division of Local Government, please refer to the State Organizations, Colorado Department of Local Affairs section of the Contacts chapter of the *Manual*.

## Debt

TABOR also includes debt provisions for state and local governments. TABOR requires advance voter approval before allowing the “creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.” The exceptions to this limitation are refinancing bonded debt at a lower interest rate or adding new employees to existing government pension plans.

## Emergency Reserves

TABOR requires that an **emergency reserve** of 3 percent of fiscal year spending, excluding bonded debt service, be set aside by state and local governments. This reserve can only be spent on a declared emergency which excludes economic conditions, revenue shortfalls, or salary or fringe benefit increases.

**Q. Must the government maintain a separate bank account for emergency reserves?**

**A. No.** Emergency reserves are not required to be kept in a separate account.

## TABOR-Related Statutes

Statutes have provided legislative clarification

of certain aspects of TABOR. Specifically addressed are issues relating to the enterprise status of governmental entities and the necessity for voter approval related to debt issues.

## Enterprise Status

Since only activities that are defined as enterprises are specifically exempt from TABOR, many judicial interpretations and legislative clarifications have focused on issues relating to enterprise activities. In particular, statutes concerning the enterprise status of governments have been enacted to specify conditions under which certain government entities are considered enterprises and not subject to TABOR’s provisions. The following types of entities have had legislative clarification on their enterprise status.

### Universities and Colleges

Section 23-5-101.5, C.R.S., allows an auxiliary facility, such as student or faculty housing, to be designated as an enterprise if the managing entity of the facility retains the authority to issue revenue bonds on behalf of the facility and the facility receives less than 10 percent of its total annual revenues in grants.

### Hospitals

Section 25-3-304, C.R.S., allows a county hospital to be designated as an enterprise by the Board of Public Hospital Trustees as long as the Board retains the authority to issue revenue bonds on behalf of the hospital and the hospital receives less than 10 percent of its total annual revenues in grants.

## Nursing Homes

Section 26-12-109, C.R.S., allows any state nursing home or state veterans nursing home to be designated as an enterprise as long as it retains the authority to issue anticipation warrants and receives less than 10 percent of its total annual revenues in grants. The General Assembly declared that the authority to issue anticipation warrants is the same as the authority to issue revenue bonds for the purposes of TABOR.

## Water Activities

Section 37-45.1-101-102, C.R.S., establishes the use of water activity enterprises. Water activity enterprises are defined as any government water activity business, owned by a district, which receives less than 10 percent of its annual revenues in grants and is authorized to issue its own revenue bonds.

## **Voter Approval for Debt Issuance**

### Education

Section 22-41.5-101-102, C.R.S., states that weakening of debt on a school district shall be put to voter approval.

Section 22-42-128, C.R.S., states that school districts must have voter approval in advance for bonded indebtedness and property tax mill levies.

## **Other TABOR-Related Statutes**

### Taxation

Section 39-1-111.5, C.R.S., enables governments to “approve and certify a refund in the form of a temporary property tax credit or temporary mill levy rate reduction.”

## State Fiscal Policies

Sections 24-77-101-102, C.R.S., provide the policies for the State regarding the “meaning and implementation of Section 20 of Article X of the State Constitution as it relates to state government.”

## **TABOR Court Cases**

To clarify certain aspects of TABOR, local governments have pursued judicial interpretation of TABOR requirements. Although TABOR was added to the Constitution in November 1992, Colorado courts continue to hear cases regarding various provisions of the amendment. For contact and Web site information for additional TABOR-related court cases, please refer to the Other Useful Internet Sites section of the Contacts chapter of the *Manual*, at the following listings:

- < Grimshaw and Haring P.C.
- < Colorado Bar Association

## **Enterprise Status**

As discussed previously, there has been significant judicial interpretation for determining an enterprise status for entities. Some of those cases are listed below.

### E-470 Public Highway Authority

In response to the *Nicoll v. E-470 Authority* case, the General Assembly deleted all taxing power for the Authority and declared that the Authority qualified as an enterprise. In *Nicoll v. E-470 Authority*, the Colorado Supreme Court had concluded the E-470 Authority was not an enterprise, because it has the power to