

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

2478.00

For the Year Ended
12/31/2017
or fiscal year ended:

NAME OF GOVERNMENT

Navajo Western Water District

ADDRESS

**705 Navajo Road
Walsenburg, CO 81089**

CONTACT PERSON

Thomas Ortiz

PHONE

719-846-9663

EMAIL

tortiz_81082@yahoo.com

FAX

719-846-9663

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:

Thomas Ortiz

TITLE

Accountant

FIRM NAME (if applicable)

Ortiz Tax Service

ADDRESS

15801 Hwy 239

PHONE

719-846-9663

DATE PREPARED

22-Mar-18

(Must be Completed prior to Board approval)

RELATIONSHIP TO ENTITY

Independent from Entity

PREPARER (SIGNATURE REQUIRED)

Thomas B Ortiz

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES

NO

If Yes, date filed:

P

RECEIVED

Office of the State Auditor

March 30, 2018

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*		Enterprise Fund	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 162,353	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ 26,474	\$ -	
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		\$ -	\$ -				
1-7		\$ -	\$ -	Capital Assets, net (from Part 4-4)	\$ 1,455,256	\$ -	
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-9		\$ -	\$ -	meter Deposit	\$ 220	\$ -	
1-10		\$ -	\$ -	Part Inventory	\$ 9,252	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 1,653,555	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,653,555	\$ -	
Liabilities				Liabilities			
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 1,982	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ 5,214	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ -	\$ -	TOTAL CURRENT LIABILITIES	\$ 7,196	\$ -	
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ 876,273	\$ -	
1-21		\$ -	\$ -	Other Liabilities [specify...]	\$ -	\$ -	
1-22		\$ -	\$ -	Renter Deposit	\$ 2,196	\$ -	
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	\$ 885,665	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
Fund Balance				Net Position			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 752,586	\$ -	
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	\$ 15,304	\$ -	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	\$ 767,890	\$ -	
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ -	\$ -	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 1,653,555	\$ -	

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*		Enterprise Fund	Fund*	
Tax Revenue				Tax Revenue			
2-1	Property	\$ -	\$ -	Property	\$ 40,763	\$ -	
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		\$ -	\$ -	Insurance Refund	\$ 2,117	\$ -	
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	\$ 42,880	\$ -	
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	\$ 1,760	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 165,390	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ 4,630	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 150	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	Water Lease	\$ 9,600	\$ -	
2-23		\$ -	\$ -	Loan Service Fee	\$ 16,920	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 241,330	\$ -	
Other Financing Sources				Other Financing Sources			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
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	\$ 241,330	\$ -	GRAND TOTALS
						\$	241,330

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*		Enterprise Fund	Fund*	
3-1	Expenditures			Expenditures			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 14,939	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 75,766	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 12,888	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 15,106	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 1,800	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 43,441	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Other [specify...]:	\$ -	\$ -	Utilities	\$ 18,239	\$ -	
3-11		\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ 42,630	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ 1,594	\$ -	
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	\$ 226,403	\$ -	GRAND TOTAL
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ 42,253	\$ -	
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, 3-18)	\$ 42,630	\$ -	
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	\$ 377	\$ -	
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	\$ 15,304	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 752,586	\$ -	
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.	\$ 767,890	\$ -	

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 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	\$ 852,415	\$ -	\$ 33,458	\$ 818,957
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
NBH BANK	\$ -	\$ 66,488	\$ 9,172	\$ 57,316
TOTAL	\$ 852,415	\$ 66,488	\$ 42,630	\$ 876,273

*must agree to prior year ending balance

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 type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| What are the annual lease payments? \$ - | | |
| 4-9 Does the entity have a certified mill levy? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: Please provide the following <u>mill</u> s levied for the year reported (do not enter \$ amounts): | | |
| Bond Redemption | 0.00 | |
| General/Other | 0.00 | |
| TOTAL | 0.00 | |

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	\$ 162,353	
5-2 Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS		\$ 162,353
Investments (if investment is a mutual fund, please list underlying investments):		
5-3	\$ -	
	\$ -	
	\$ -	
	\$ -	
TOTAL INVESTMENTS		\$ -
TOTAL CASH AND INVESTMENTS		\$ 162,353

Please use this space to provide any explanations or comments:

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"/> |

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	\$ 25,900	\$ -	\$ -	\$ 25,900
Buildings	\$ 94,885	\$ -	\$ -	\$ 94,885
Machinery and equipment	\$ 43,447	\$ 74,076	\$ -	\$ 117,523
Furniture and fixtures	\$ 13,409	\$ -	\$ -	\$ 13,409
Infrastructure	\$ 1,906,068	\$ -	\$ -	\$ 1,906,068
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Water Right	\$ 322,500	\$ -	\$ -	\$ 322,500
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (982,776)	\$ (42,253)	\$ -	\$ (1,025,029)
TOTAL	\$ 1,423,433	\$ 31,823	\$ -	\$ 1,455,256

*must agree to prior year ending balance

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.):	\$ -
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:

8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:

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

Fund Name	Budgeted Expenditures
Enterprise Fund	\$ 274,780
	\$ -
	\$ -
	\$ -

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.

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:

10-2 Has the entity changed its name in the past or current year?

If Yes: NEW name

PRIOR name

10-3 Is the entity a metropolitan district?

10-4 Please indicate what services the entity provides:

10-5 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

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

OSA USE ONLY

Entity Wide:	General Fund	Governmental Funds	Notes
Unrestricted Cash & Investments \$	162,353 Unrestricted Fund Balance \$	- Total Tax Revenue \$	
Current Liabilities \$	7,196 Total Fund Balance \$	- Revenue Paying Debt Service \$	
Deferred inflow \$	PY Fund Balance \$	- Total Revenue \$	
	Total Revenue \$	- Total Debt Service Principal \$	
	Total Expenditures \$	- Total Debt Service Interest \$	
	Interfund In \$		
Governmental	Interfund Out \$	Enterprise Funds	
Total Cash & Investments \$	- Proprietary \$	Net Position \$	767,890
Transfers In \$	- Current Assets \$	PY Net Position \$	752,586
Transfers Out \$	- Deferred Outflow \$	Government-Wide	
Property Tax \$	- Current Liabilities \$	Total Outstanding Debt \$	876,273
Debt Service Principal \$	- Deferred Inflow \$	Authorized but Unissued \$	
Total Expenditures \$	- Cash & Investments \$	Year Authorized \$	
Total Developer Advances \$	- Principal Expense \$		
Total Developer Repayments \$			

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

**Original Signatures
Verified by**

Justin L. Smith



Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally signed by each member of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was signed and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application as follows:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

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		
2	Charles Flatt	I, <u>Randy Wilson</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 Wilson</u> Date: <u>3/27/2018</u> My term Expires: <u>2020</u>
3	Doris Fulkerson	I, <u>Charlene Baldwin</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>Charlene E. Baldwin</u> Date: <u>3/26/18</u> My term Expires: <u>2020</u>
4	Gary Engelmohr	I, <u>Doris Fulkerson</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>Doris Fulkerson</u> Date: <u>3/27/2018</u> My term Expires: <u>2020</u>
5	Charlene Baldwin	I, <u>Gary Engelmohr</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>Gary Engelmohr</u> Date: <u>3-26-18</u> My term Expires: <u>2020</u>
6	Randy Wilson	I, <u>Charles Flatt</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 _____ Date: _____ My term Expires: <u>2020</u>
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: _____

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2017 FOR THE NAVAJO WESTERN WATER DISTRICT, STATE OF COLORADO.

WHEREAS, the governing body of the Navajo Western Water District wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S. states that any local government where either 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

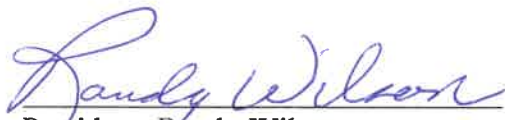
WHEREAS, neither revenues nor expenditures for the Navajo Western Water District exceeded \$750,000 for fiscal year 2017; and

WHEREAS, an application for exemption from audit for Navajo Western Water District has been prepared by Ortiz Tax Service, an independent accountant with knowledge of governmental accounting; and

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

NOW, THEREFORE, be it resolved/ordained by the governing body of the Navajo Western Water District that the application for exemption from audit for Navajo Western Water District for the fiscal year ended December 31, 2017, has been reviewed and is hereby approved by a majority of the governing body of the Navajo Western Water District; that those members of the governing body 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 Navajo Western Water District for the fiscal year ended December 31, 2017

ADOPTED this 22rd day of March, A.D., 2018.



President, Randy Wilson



Secretary, Doris Fulkerson

Members of Governing Body

Term Expires

Signature

Randy Wilson

2020

Randy Wilson

Doris Fulkerson

2022

[Signature]

Gary Engelmohr

2020

Gary Engelmohr

Charles Flatt

2020

[Signature]

Charlene Baldwin

2020

Charlene Baldwin

EXHIBIT A - LEASE TERMS

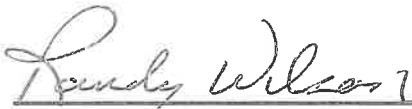
1. Lessee: Navajo Western Water District
2. Commencement Date: March 17, 2017
3. Final Expiration Date: December 1, 2023
4. Rental Payment Dates: Beginning June 1, 2017 and semi-annually thereafter until Final Expiration Date or prior redemption.
5. Applicable Yield Rate: 3.02%
6. Default Rate: Tax-Exempt Fixed Rate + 4.00% per annual until the Default is cured.
7. Financial Reporting Requirements:
 - a. Annually, Lessee shall deliver to Lessor copies of Lessee's audited financial statements and related audit report prepared by an independent public accounting firm acceptable to Lessor upon the first to occur of (i) two (2) weeks after the final audit is issued by the auditors or (ii) 270 Days after the end of Lessee's Fiscal year.
 - b. Annually, Lessee shall deliver to Lessor a copy of the Lessee's Annual Budget within sixty (60) days after the end of Lessee's Fiscal Year, which Annual Budget shall illustrate the Rental Payments due to the Lessor during the period covered by the Annual Budget.
8. Financial Covenants: N/A
9. Lessee's Fiscal/Budget Year: December 31
10. Rental Payment Schedule and Option Purchase Price:

Payment No.	Payment Date	Principal	Interest	Rental Payment	Balance	Option Purchase Price
1	June 1, 2017	4,845.24	412.74	5,257.98	61,642.91	61,642.91
2	December 1, 2017	4,327.17	930.81	5,257.98	57,315.74	57,315.73
3	June 1, 2018	4,392.51	865.47	5,257.98	52,923.23	52,923.22
4	December 1, 2018	4,458.84	799.14	5,257.98	48,464.39	48,464.38
5	June 1, 2019	4,526.17	731.81	5,257.98	43,938.22	43,938.22
6	December 1, 2019	4,594.51	663.47	5,257.98	39,343.71	39,343.70
7	June 1, 2020	4,663.89	594.09	5,257.98	34,679.82	34,679.81
8	December 1, 2020	4,734.31	523.67	5,257.98	29,945.51	29,945.50
9	June 1, 2021	4,805.80	452.18	5,257.98	25,139.71	25,139.69
10	December 1, 2021	4,878.37	379.61	5,257.98	20,261.34	20,261.32
11	June 1, 2022	4,952.03	305.95	5,257.98	15,309.31	15,309.29

12	December 1, 2022	5,026.81	231.17	5,257.98	10,282.50	10,282.48
13	June 1, 2023	5,102.71	155.27	5,257.98	5,179.79	5,179.77
14	December 1, 2023	5,179.79	78.19	5,257.98	0.00	0.00
TOTALS		66,488.15	7,123.57	73,611.72		

LESSEE:

NAVAJO WESTERN WATER DISTRICT


 By: Randy Wilson
 Its: District President

LESSOR:

NBH BANK, a Colorado state-chartered bank


 By: Sherry Villafane
 Its: Vice President

**EXHIBIT C
DRINKING WATER REVOLVING FUND
LOAN REPAYMENT SCHEDULE**

NAVAJO WESTERN WATER DISTRICT, COLORADO, ACTING BY AND THROUGH ITS NAVAJO WESTERN WATER ENTERPRISE
Loan Number: #D12F292

On or before the first of each date, commencing on November 1, 2012 the
Governmental Agency shall pay the amount set forth below:

LOAN DATE:	5/3/12
LOAN AMOUNT:	\$1,101,939
INTEREST RATE:	0.000%
TERM (YEARS):	30

1st Amendment

PAYMENT DATES	PAYMENT	PRINCIPAL REDUCTION (1)	PRINCIPAL	REMAINING PRINCIPAL	CALCULATED INTEREST
				\$1,101,939.00	
11/1/2012	\$18,365.65		\$18,365.65	\$1,083,573.35	\$0.00
5/1/2013	\$18,365.65		\$18,365.65	\$1,065,207.70	\$0.00
11/1/2013	\$18,365.65		\$18,365.65	\$1,046,842.05	\$0.00
5/1/2014	\$18,365.65		\$18,365.65	\$1,028,476.40	\$0.00
11/1/2014	\$18,365.65		\$18,365.65	\$1,010,110.75	\$0.00
1/7/2015		\$90,839.69		\$919,271.06	
5/1/2015	\$16,714.02		\$16,714.02	\$902,557.04	\$0.00
11/1/2015	\$16,714.02		\$16,714.02	\$885,843.02	\$0.00
5/1/2016	\$16,714.02		\$16,714.02	\$869,129.00	\$0.00
11/1/2016	\$16,714.02		\$16,714.02	\$852,414.98	\$0.00
5/1/2017	\$16,714.02		\$16,714.02	\$835,700.96	\$0.00
11/1/2017	\$16,714.02		\$16,714.02	\$818,986.94	\$0.00
5/1/2018	\$16,714.02		\$16,714.02	\$802,272.92	\$0.00
11/1/2018	\$16,714.02		\$16,714.02	\$785,558.90	\$0.00
5/1/2019	\$16,714.02		\$16,714.02	\$768,844.88	\$0.00
11/1/2019	\$16,714.02		\$16,714.02	\$752,130.86	\$0.00
5/1/2020	\$16,714.02		\$16,714.02	\$735,416.84	\$0.00
11/1/2020	\$16,714.02		\$16,714.02	\$718,702.82	\$0.00
5/1/2021	\$16,714.02		\$16,714.02	\$701,988.80	\$0.00
11/1/2021	\$16,714.02		\$16,714.02	\$685,274.78	\$0.00
5/1/2022	\$16,714.02		\$16,714.02	\$668,560.76	\$0.00
11/1/2022	\$16,714.02		\$16,714.02	\$651,846.74	\$0.00
5/1/2023	\$16,714.02		\$16,714.02	\$635,132.72	\$0.00
11/1/2023	\$16,714.02		\$16,714.02	\$618,418.70	\$0.00
5/1/2024	\$16,714.02		\$16,714.02	\$601,704.68	\$0.00
11/1/2024	\$16,714.02		\$16,714.02	\$584,990.66	\$0.00
5/1/2025	\$16,714.02		\$16,714.02	\$568,276.64	\$0.00
11/1/2025	\$16,714.02		\$16,714.02	\$551,562.62	\$0.00
5/1/2026	\$16,714.02		\$16,714.02	\$534,848.60	\$0.00
11/1/2026	\$16,714.02		\$16,714.02	\$518,134.58	\$0.00
5/1/2027	\$16,714.02		\$16,714.02	\$501,420.56	\$0.00
11/1/2027	\$16,714.02		\$16,714.02	\$484,706.54	\$0.00
5/1/2028	\$16,714.02		\$16,714.02	\$467,992.52	\$0.00
11/1/2028	\$16,714.02		\$16,714.02	\$451,278.50	\$0.00
5/1/2029	\$16,714.02		\$16,714.02	\$434,564.48	\$0.00
11/1/2029	\$16,714.02		\$16,714.02	\$417,850.46	\$0.00
5/1/2030	\$16,714.02		\$16,714.02	\$401,136.44	\$0.00
11/1/2030	\$16,714.02		\$16,714.02	\$384,422.42	\$0.00
5/1/2031	\$16,714.02		\$16,714.02	\$367,708.40	\$0.00
11/1/2031	\$16,714.02		\$16,714.02	\$350,994.38	\$0.00
5/1/2032	\$16,714.02		\$16,714.02	\$334,280.36	\$0.00
11/1/2032	\$16,714.02		\$16,714.02	\$317,566.34	\$0.00
5/1/2033	\$16,714.02		\$16,714.02	\$300,852.32	\$0.00
11/1/2033	\$16,714.02		\$16,714.02	\$284,138.30	\$0.00
5/1/2034	\$16,714.02		\$16,714.02	\$267,424.28	\$0.00
11/1/2034	\$16,714.02		\$16,714.02	\$250,710.26	\$0.00
5/1/2035	\$16,714.02		\$16,714.02	\$233,996.24	\$0.00
11/1/2035	\$16,714.02		\$16,714.02	\$217,282.22	\$0.00
5/1/2036	\$16,714.02		\$16,714.02	\$200,568.20	\$0.00
11/1/2036	\$16,714.02		\$16,714.02	\$183,854.18	\$0.00
5/1/2037	\$16,714.02		\$16,714.02	\$167,140.16	\$0.00
11/1/2037	\$16,714.02		\$16,714.02	\$150,426.14	\$0.00
5/1/2038	\$16,714.02		\$16,714.02	\$133,712.12	\$0.00
11/1/2038	\$16,714.02		\$16,714.02	\$116,998.10	\$0.00
5/1/2039	\$16,714.02		\$16,714.02	\$100,284.08	\$0.00
11/1/2039	\$16,714.02		\$16,714.02	\$83,570.06	\$0.00
5/1/2040	\$16,714.02		\$16,714.02	\$66,856.04	\$0.00
11/1/2040	\$16,714.02		\$16,714.02	\$50,142.02	\$0.00
5/1/2041	\$16,714.02		\$16,714.02	\$33,428.00	\$0.00
11/1/2041	\$16,714.02		\$16,714.02	\$16,713.98	\$0.00
5/1/2042	\$16,713.98		\$16,713.98	\$0.00	\$0.00
Total	\$1,011,099.31	\$90,839.69	\$1,011,099.31		\$0.00

(1) Remaining project funds totaling \$90,839.69 applied as principal reduction.