

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

*2513.00*

For the Year Ended  
12/31/17  
or fiscal year ended:

<b>NAME OF GOVERNMENT ADDRESS</b>	SOMERSET DOMESTIC WATER COMPANY PO BOX 549 SOMERSET, CO 81434
<b>CONTACT PERSON</b>	SUSAN BENSON
<b>PHONE</b>	970-929-5211
<b>EMAIL</b>	
<b>FAX</b>	

### PART 1 - CERTIFICATION OF PREPARER

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

<b>NAME:</b>	JEFFREY HENION
<b>TITLE</b>	PA, EA
<b>FIRM NAME (if applicable)</b>	HENION TAX & ACCOUNTING SERVICES
<b>ADDRESS</b>	PO BOX 968, PAONIA, CO 81428
<b>PHONE</b>	970-527-2350
<b>DATE PREPARED</b> (Must be prepared prior to Board approval)	3/23/2018

### PREPARER (SIGNATURE REQUIRED)

*Jeffrey Henion PA, EA*

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

**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)

**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)

**P**

**RECEIVED**

Office of the State Auditor

March 29, 2018

## PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property	\$ -	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services		
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 97	
2-14	Charges for utility services	\$ 36,230	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify): Office Rent	\$ 2,000	
2-22	Misc	\$ 350	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 38,677	

## PART 3 - EXPENDITURES

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 1,744	Please use this space to provide any necessary explanations
3-2	Salaries	\$ 3,000	
3-3	Payroll taxes	\$ 229	
3-4	Contract services	\$ 472	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 3,952	
3-7	Accounting and legal fees	\$ 600	
3-8	Repair and maintenance	\$ 32	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ 2,780	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ 12,564	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ 5,538	
3-18	Debt service interest	\$ 2,486	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 33,397	

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

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No	
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)			
	Outstanding at end of prior year*	Issued during year	Retired during year	
	Outstanding at year-end			
	General obligation bonds	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -
	Notes/Loans	\$ 49,725	\$ -	\$ 5,538
	Leases	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ 49,725</b>	<b>\$ -</b>	<b>\$ 5,538</b>

\*must tie 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 mills levied for the year reported (do not report \$ amounts):		

Bond Redemption	-
General/Other	-
<b>TOTAL</b>	<b>-</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	\$ 92,132	
5-2	Certificates of deposit	\$ -	
	<b>Total Cash Deposits</b>		\$ 92,132
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
5-3		\$ -	
		\$ -	
	<b>Total Investments</b>		\$ -
	<b>Total Cash and Investments</b>		<b>\$ 92,132</b>

Please answer the following questions by marking in the appropriate boxes

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

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

## PART 6 - CAPITAL ASSETS

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

Yes                      No

- 6-1 Does the entity have capital assets?
- 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:

6-3 Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Buildings	\$ 50,350	\$ -	\$ -	\$ 50,350
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): Infrastructure	\$ 114,172	\$ -	\$ -	\$ 114,172
Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 172,022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 172,022</b>

\*must tie to prior year ending balance

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

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

Yes                      No

- 7-1 Does the entity have an "old hire" firemen's pension plan?
- 7-2 Does the entity have a volunteer firemen's pension plan?
- 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? \$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

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

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?
- If no, MUST explain:
- 
- 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:

General	\$ 25,476
Debt Service	\$ 8,024

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

- 9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?  Yes  No

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, **MUST** explain:

## PART 10 - GENERAL INFORMATION

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

Yes

No

- 10-1** Is this application for a newly formed governmental entity?  Yes  No

If yes: Date of formation:

- 10-2** Has the entity changed its name in the past or current year?  Yes  No

If yes: Please list the NEW name & PRIOR name:

- 10-3** Is the entity a metropolitan district?  Yes  No

Please indicate what services the entity provides:

- 10-4** Does the entity have an agreement with another government to provide services?  Yes  No

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

- 10-5** Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]  Yes  No

If yes: Date Filed:

Please use this space to provide any explanations or comments:

## PART 11 - 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?  YES  NO

N/A

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

#### 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 obtained through a program such as DocuSign or Echosign. Required 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 reviewed, approved, and signed by a majority of the members 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 created and when the document was emailed to the various parties, 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 through one of the following three methods:**

- 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.

Print the names of ALL current governing board members below.  
Print Board Member's Name

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

Board Member  
1

SUSAN BENSON

I SUSAN BENSON, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed Susan Benson

Date: 3.23.18

My term Expires: 3.24.2020

Board Member  
2

Print Board Member's Name

MIKE NORTON

I MIKE NORTON, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed Michael A. Vont

Date: \_\_\_\_\_

My term Expires: \_\_\_\_\_

Board Member  
3

Print Board Member's Name

ROCKNE DUTTON

I ROCKNE DUTTON, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed Rockne Dutton

Date: 3/23/19

My term Expires: 3.24.2020

Board Member  
4

Print Board Member's Name

JOANNE SHYMANSKI

I JOANNE SHYMANSKI, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed Shymanski

Date: 3/23/18

My term Expires: 3.24.20

Board Member  
5

Print Board Member's Name

I \_\_\_\_\_, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed \_\_\_\_\_

Date: \_\_\_\_\_

My term Expires: \_\_\_\_\_

Board Member  
6

Print Board Member's Name

I \_\_\_\_\_, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed \_\_\_\_\_

Date: \_\_\_\_\_

My term Expires: \_\_\_\_\_

Board Member  
7

Print Board Member's Name

I \_\_\_\_\_, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.

Signed \_\_\_\_\_

Date: \_\_\_\_\_

My term Expires: \_\_\_\_\_

Original Signatures  
Verified by

Justin L. Smith



Supplemental Information for Exemption from Audit  
For the year ended December 31, 2017

Entity: Somerset Domestic Waterworks Dist.

**Schedule # 1**

Debt schedule

The District incurred debt in 2004. The terms of the debt follows:

Original debt balance	\$100,000
Interest rate	5.0 %
Number of payments per year	1
Term of loan	20 years

The 1<sup>st</sup> payment was made September 1, 2005.

The debt is to Gunnison County Board of Commissioners.

Schedule of debt service payments:

<u>Pymnt #</u>	<u>Pymnt date</u>	<u>Payment</u>	<u>Interest</u>	<u>Prin. Reduction</u>	<u>Loan Balance</u>
					\$100,000.00
1	9/1/2005	\$8,024.26	\$3,750.00	\$4,274.26	\$95,725.74
2	9/1/2006	\$8,024.26	\$4,786.29	\$3,237.97	\$92,487.77
3	9/1/2007	\$8,024.26	\$4,624.39	\$3,399.87	\$89,087.90
4	9/1/2008	\$8,024.26	\$4,454.39	\$3,569.87	\$85,518.03
5	9/1/2009	\$8,024.26	\$4,275.90	\$3,748.36	\$81,769.67
6	9/1/2010	\$8,024.26	\$4,088.48	\$3,935.78	\$77,833.89
7	9/1/2011	\$8,024.26	\$3,891.70	\$4,132.56	\$73,701.33
8	9/1/2012	\$8,024.26	\$3,685.07	\$4,339.19	\$69,362.14
9	9/1/2013	\$8,024.26	\$3,468.11	\$4,556.15	\$64,805.99
10	9/1/2014	\$8,024.26	\$3,240.30	\$4,783.96	\$60,022.03
11	9/1/2015	\$8,024.26	\$3,001.10	\$5,023.16	\$54,998.87
12	9/1/2016	\$8,024.26	\$2,749.94	\$5,274.32	\$49,724.55
13	9/1/2017	\$8,024.26	\$2,486.23	\$5,538.03	\$44,186.52
14	9/1/2018	\$8,024.26	\$2,209.33	\$5,814.93	\$38,371.59
15	9/1/2019	\$8,024.26	\$1,918.58	\$6,105.68	\$32,265.91
16	9/1/2020	\$8,024.26	\$1,613.30	\$6,410.96	\$25,854.95
17	9/1/2021	\$8,024.26	\$1,292.75	\$6,731.51	\$19,123.44
18	9/1/2022	\$8,024.26	\$956.17	\$7,068.09	\$12,055.35
19	9/1/2023	\$8,024.26	\$602.77	\$7,421.49	\$4,633.86
20	9/1/2024	\$4,865.55	\$231.69	\$4,633.86	\$0.00