

**APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM**

NAME OF GOVERNMENT
ADDRESS

Allenspark Water and Sanitation District
PO Box 91
Allenspark, CO 80510
Jen Cook
303 747-2587
jen.apwater@gmail.com

For the Year Ended
12/31/2018
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
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:	Carl Henderson
TITLE	CPA
FIRM NAME (if applicable)	Carl Henderson, CPA P.C.
ADDRESS	1182 Graves Ave Suite C-3 Estes Park, CO 80517
PHONE	970 586-5008
DATE PREPARED	20-Mar-19
RELATIONSHIP TO ENTITY	None

PREPARER (SIGNATURE REQUIRED)

Carl Henderson, CPA

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:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

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RECEIVED
April 1, 2019 Office
of the State Auditor

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*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 501,026	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ 13,854	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets [specify...]			Other Current Assets	\$ 6,233	\$ -	
1-5		\$ -	\$ -				
1-6		\$ -	\$ -				
1-7		\$ -	\$ -				
1-8		\$ -	\$ -				
1-9		\$ -	\$ -				
1-10		\$ -	\$ -				
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 521,113	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 226,773	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 747,886	\$ -	
Liabilities				Liabilities			
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 2,222	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ 4,137	\$ -	
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	\$ 6,359	\$ -	
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) TOTAL LIABILITIES	\$ -	\$ -	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ 6,359	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 9,668	\$ -	
Fund Balance				Net Position			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 226,773	\$ -	
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	\$ 505,086	\$ -	
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	\$ 731,859	\$ -	
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	\$ 747,886	\$ -	

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*		Fund*	Fund*	
Tax Revenue				Tax Revenue			
2-1	Property [include mills levied in Question 10-8]	\$ -	\$ -	Property [include mills levied in Question 10-8]	\$ 9,667	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ 515	\$ -	
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	\$ 10,182	\$ -	
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	\$ 6,255	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 73,863	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 379	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ 10,000	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]: Misc	\$ 516	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 101,195	\$ -	
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	\$ 101,195	\$ -	
							GRAND TOTALS:
							\$ 101,195

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 29-1-504, 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*		Fund*	Fund*	
Expenditures				Expenditures			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 10,182	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 41,173	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 3,238	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 3,550	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 4,072	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 555	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ 418	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 4,310	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ 13,912	\$ -	
	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	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ -	\$ -	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ 81,410	\$ -	GRAND TOTAL \$ 81,410
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	\$ 3,937	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ 13,912	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
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	\$ 9,975	\$ -	
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	\$ 29,760	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 702,099	\$ -	
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.	\$ 731,859	\$ -	

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

Please use this space to provide any explanations or comments:

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 type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input 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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

4-5	Does the entity have any authorized, but unissued, debt?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	How much?	\$ -		
If yes:	Date the debt was authorized:			
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	How much?	\$ -		
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 type="checkbox"/>	
	What are the annual lease payments?	\$ -		

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	\$ 501,026	
5-2	Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS			\$ 501,026
Investments (if investment is a mutual fund, please list underlying investments):			
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
TOTAL INVESTMENTS			\$ -
TOTAL CASH AND INVESTMENTS			\$ 501,026

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	\$ 85,723	\$ -	\$ -	\$ 85,723
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ 11,906	\$ -	\$ -	\$ 11,906
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ 637,705	\$ 13,912	\$ -	\$ 651,617
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (518,537)	\$ (3,937)	\$ -	\$ (522,474)
TOTAL	\$ 216,797	\$ 9,975	\$ -	\$ 226,772

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

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

Fund Name	Budgeted Expenditures
Proprietary Fund	\$ 340,350
	\$ -
	\$ -
	\$ -

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)]? government from the 3 percent emergency reserve requirement. All governments should determine if they meet YES NO

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? 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: NEW name
 PRIOR name

- 10-3 Is the entity a metropolitan district? YES NO

10-4 Please indicate what services the entity provides:

- 10-5 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:

- 10-6 Does the entity have a certified mill levy? YES NO

If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):

Bond Redemption mills	0.000
General/Other mills	3.922
Total mills	3.922

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

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?

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 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.

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	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.
1	Dan St. John	Signed: <u>[Signature]</u> Date: <u>3/27/19</u> My term Expires: _____
2	Johnathon Oppermann	Signed: <u>[Signature]</u> Date: <u>3/27/19</u> My term Expires: _____
3	Frank West	Signed: <u>[Signature]</u> Date: <u>03-27-19</u> My term Expires: _____
4	Walter Welton	Signed: _____ Date: _____ My term Expires: _____
5		Signed: _____ Date: _____ My term Expires: _____
6		Signed: _____ Date: _____ My term Expires: _____
7		Signed: _____ Date: _____ My term Expires: _____

Carl Henderson, CPA PC
Certified Public Accountant
a Professional Corporation
1182 Graves Ave Suite C-3
Box 4515
Estes Park, CO 80517
970 586-5008

To the Board of Directors
Allenspark Water and Sanitation District
Allenspark, CO 80510

I have compiled the balance sheet for Allenspark Water and Sanitation District as of and for the year ended December 31, 2018, and the related statements of income and net assets for the year then ended included in the accompanying prescribed form. I have not audited or reviewed the financial statements included in the accompanying prescribed form and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the State of Colorado.

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed by the State of Colorado and for the designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Application for Exemption from Audit.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial information.


Carl Henderson, CPA P.C.

March 21, 2019

Allenspark Water and Sanitation District
Comparative Statement of Assets, Liabilities and Net Assets
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current		
Cash and cash equivalents	\$ 501,026	\$ 487,520
Accounts receivable	4,187	6,314
Accounts receivable, taxes	9,668	9,667
Inventory	5,661	3,925
Prepaid expenses	573	590
Total current assets	<u>521,115</u>	<u>508,016</u>
Other		
Utility plant in service	226,773	215,599
Total noncurrent assets	<u>226,773</u>	<u>215,599</u>
Total assets	<u>\$ 747,888</u>	<u>\$ 723,615</u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,223	\$ 11,029
Accrued expenses payable	4,137	820
Deferred revenue	9,668	9,667
Total current liabilities	<u>16,028</u>	<u>21,516</u>
Net Assets		
Invested in capital assets, net of related debt	226,773	215,599
Unrestricted net assets		
Designated net assets	223,724	223,724
Undesignated net assets	<u>281,364</u>	<u>262,776</u>
Total net assets	<u>731,861</u>	<u>702,099</u>
Total liabilities and net assets	<u>\$ 747,888</u>	<u>\$ 723,615</u>

Allenspark Water and Sanitation District
 Comparative Statement of Revenues, Expenses and Net Assets
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Charge for services	\$ 90,118	\$ 82,129
Operating Expenses		
Treatment	45,439	56,269
Administrative	25,994	25,668
Total operating expenses	<u>71,433</u>	<u>81,937</u>
Operating income	<u>18,685</u>	<u>192</u>
Nonoperating Revenues		
Miscellaneous income	895	45
Tax revenues	10,182	9,862
Total nonoperating revenues	<u>11,077</u>	<u>9,907</u>
Increase in net assets	29,762	10,099
Total net assets - beginning	702,099	692,000
Total net assets - ending	<u>\$ 731,861</u>	<u>\$ 702,099</u>

Allenspark Water and Sanitation District
Comparative Statement of Cash Flows
For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 87,991	\$ 80,777
Payments to suppliers	(30,557)	(18,084)
Payments to employees	(41,093)	(41,554)
	<u>16,341</u>	<u>21,139</u>
Net cash provided by operating activities		
Cash Flows From Noncapital Financing Activities		
Tax revenues received	10,182	9,862
	<u>10,182</u>	<u>9,862</u>
Net cash provided by noncapital financing activities		
Cash Flows From (Used For) Capital and Related Financing Activities		
(Increase) decrease in restricted assets	-	-
Additions to utility plant in service	(13,912)	(10,935)
Principal paid on bonds and notes payable	-	-
	<u>(13,912)</u>	<u>(10,935)</u>
Net cash used for capital and related financing activities		
(Increase) decrease in net assets		
Interest income received	895	45
	<u>895</u>	<u>45</u>
Net cash from (used for) investing activities		
Net increase (decrease) in cash and cash equivalents	13,506	20,111
Cash balance - beginning of year	487,520	467,409
Cash balance - end of year	<u>\$501,026</u>	<u>\$487,520</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 18,685	\$ 192
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,937	10,472
Change in assets and liabilities:		
Receivables	2,127	(1,353)
Inventory	(1,736)	1,446
Prepaid expenses	17	336
Accounts payable	(8,806)	10,106
Accrued expenses payable	2,117	(60)
	<u>\$ 16,341</u>	<u>\$ 21,139</u>
Net cash provided by operating activities		

Allenspark Water and Sanitation District
Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

Allenspark Water and Sanitation District is an independent governmental entity organized under the provisions of the Colorado Revised Statutes. The District's Board of Directors is elected by residents of the District and has the responsibilities for designation of management, operational decisions, and budget matters. The District is fully responsible for its financial matters and is not financially interdependent with another governmental unit. Revenues are derived by service charges determined by the Board. The District exists for the benefit of its residents and activities of the District are generally available to the residents of the District.

All the foregoing criteria indicate that Allenspark Water and Sanitation District is a separate and distinct unit of government even though it operates within the boundaries of Boulder County. There are no component units that should be included in these financial statements.

The accounting policies of the District conform to generally accepted accounting principles as applicable to enterprise funds. The following is a summary of the significant policies:

a) Enterprise Fund Accounting

An enterprise fund is used to account for operations

- that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or
- where the governing body has decided that periodic determination of revenue earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

b) Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made regardless of the measurement focus used.

The Allenspark Water and Sanitation District follows the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Enterprise funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in the balance sheet. The reported fund equity (net total assets) is segregated into the net amount invested in capital assets and unrestricted net asset components. The operating statement presents increases (revenue) and decreases (expenses) in net total assets. The District complies with a portion of the Governmental Accounting Standard Board pronouncement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local*

Allenspark Water and Sanitation District
Notes to Financial Statements

Governments This pronouncement has the following applicability to these financial statements:

- Discussion of the capitalization policy for fixed assets
- Discussion of the policy for the definition of operating and non-operating revenues

The Governmental Accounting Standard Board pronouncement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments* also requires inclusion of Management Discussion and Analysis as supplemental information, which is not included as a part of these financial statements.

c) Budgets and Budgetary Accounting

Annual budgets are adopted as required by Colorado Statutes. Formal budgetary integration is employed as a management control device during the year. The Board Treasurer is designated as the person responsible for the budget. Prior to December 31st, the District Board, after reviewing the budget, adopts the budget with a certified copy sent to the Division of Local Government prior to January 30th, and passes a resolution making the appropriation for the ensuing fiscal year.

The Board approves total budget appropriations only. Budgeted amounts within the fund may be transferred as long as total appropriations are not altered. If the total appropriations must be revised, an official amended budget is approved and a resolution making additional appropriations is passed.

The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis. The budget amounts shown in the supplementary information and compared with actual expenses are the final authorized amounts after revisions during the year, if any.

Budgets are adopted on the accrual basis and the budgetary comparisons shown in these financial statements under supplementary information are shown on that basis.

d) Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors and omissions, injuries to employees or acts of God. The District maintains commercial insurance for all risks of loss that management feels is appropriate. Settled claims have not exceeded this commercial coverage in any of the past three years.

e) Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

Allenspark Water and Sanitation District
Notes to Financial Statements

f) Assets, Liabilities and Net Assets

Cash

All cash, savings accounts and money market accounts are stated at cost and are on deposit with various financial institutions that are entirely federally insured with the Federal Deposit Insurance Corporation (FDIC) with no account exceeding the \$250,000 insurance limit.

The Board authorizes the District to invest in certificates of deposit and U.S. Treasury bills at various financial institutions that are FDIC insured, or repurchase agreements provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds.

Cash and cash equivalents referred to in the Statement of Cash Flows comprise cash on hand, cash in checking accounts, cash in money market accounts and cash temporarily invested in certificates of deposits with maturity within one month from the financial statement dates.

Property Taxes Receivable

Annual property taxes are certified by the County by November 1, of the current year and are levied and assessed on the 1st of the following year. On January 1, the Boulder County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The taxes are due and payable at that time, with payment options allowing final due dates of April 30 or July 31, after which unpaid taxes become delinquent. The County Treasurer collects the property taxes and remits the collections on a monthly basis to the District. District property tax revenue is recognized, as it becomes a current receivable from the County Treasurer.

Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Restricted Assets

Restricted assets consist of cash and cash investments and are limited by legal or bond issue requirements to be utilized for a specific purpose.

- Amounts are restricted for debt service and are set aside for the payment of bond and note principal and interest.

Inventories

Inventories are valued at original cost on the first-in first-out (FIFO) method and consist of pipe and laboratory supplies.

Utility Plant in Service

All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value at the date donated.

Allenspark Water and Sanitation District
Notes to Financial Statements

Pension Plan

The Social Security System covers district employees. The District does not have a policy nor does it provide for any pension benefits for its employees and therefore has no liability for pension benefits.

**g) Revenues and Expenses
Depreciation**

Depreciation of exhaustible fixed assets used by enterprise funds is charged as an expense against its operation over the assets' estimated useful lives. Accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation has been provided over the estimated useful lives on the straight-line basis. Useful lives by type of asset are as follows:

Water System	
Supply	40 years
Distribution	40 years
Equipment	5 years

Note 2 - Stewardship, Compliance and Accountability

Allenspark Water and Sanitation District has complied with legal and contractual provisions in the preparation of these financial statements and expenditures have not exceeded appropriated budgetary amounts for the fund.

**Note 3 - Detail Notes on Accounts
Cash/Investments**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool held in trust for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Investments are stated at fair market value as required by the Governmental Accounting Standards Board *Statement 31*.

The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, US government securities, mortgages and deeds of trust.

Credit risk – The District's investment policy authorizes the District to invest in bonds or other interest bearing obligations of the United States of America or its agencies thereof, certificates of deposit and local investment pools.

Allenspark Water and Sanitation District
Notes to Financial Statements

Interest Rate Risk – The District’s investment policy limits all federal securities to maturities of 5 years or less from the date of purchase.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does have a deposit policy that allows investments only in U.S. instrumentalities or deposits insured by federal depository insurance. The District’s bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the District’s custodial banks in the name of the District under provisions of the Colorado Public Deposit Protection Act (CPDPA).

Utility Plant in Service

A summary of changes in utility plant in service follows:

	Balance <u>12-31-17</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Balance 12-31-18</u>
	\$	\$	\$	\$
Land, easements & water rights	85,723			85,723
Water system				
Supply	310,004	13,912		323,916
Distribution	276,905			276,905
Equipment	11,905			11,905
Sewer project	<u>50,797</u>			<u>50,797</u>
	734,134	<u>13,912</u>		<u>749,246</u>
Accumulated depreciation	<u>518,535</u>	3,937		<u>522,473</u>
Net fixed assets	<u>\$ 215,599</u>	<u>\$ 9,975</u>	<u>\$ -</u>	<u>\$ 226,773</u>

Assets that are fully depreciated of \$464,423 for 2018 are still in use. The District has a policy where all assets purchased over \$100 are capitalized.

Allenspark Water and Sanitation District
 Comparative Schedule of Treatment and Administrative Expenses
 For the Years Ended December 31, 2018 and 2017

TREATMENT

	<u>2018</u>	<u>2017</u>
Payroll		
Salaries	\$ 28,902	\$ 29,361
Payroll taxes	<u>2,273</u>	<u>2,322</u>
	31,175	31,683
Other		
Depreciation	3,937	10,472
Education	235	305
Operating supplies	418	4,730
Repairs and maintenance	555	1,490
Utilities	4,961	3,736
Vehicle	1,650	1,596
Water tests and permits	<u>2,508</u>	<u>2,257</u>
Total collection expenses	<u>\$ 45,439</u>	<u>\$ 56,269</u>

ADMINISTRATIVE

Payroll		
Salaries	\$ 12,270	\$ 9,195
Payroll taxes	<u>965</u>	<u>736</u>
	13,235	9,931
Other		
Dues & subscriptions	-	1,098
Insurance	3,550	3,724
Legal and professional	4,072	3,950
Miscellaneous	1,559	3,482
Office	2,233	1,834
Rent	1,200	1,200
Treasurers fee	145	-
Vehicle	-	449
Total administrative expenses	<u>\$ 25,994</u>	<u>\$ 25,668</u>

Allenspark Water and Sanitation District
Schedule of Revenues, Expenses and Other Budgeted Items
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> Favorable (Unfavor- able)
Revenue			
Operating revenues	\$ 88,050	\$ 90,118	\$ 2,068
Expenses			
Treatment	54,673	41,502	13,171
Administration	29,555	25,994	3,561
Total expenses	<u>84,228</u>	<u>67,496</u>	<u>16,732</u>
Operating income	<u>3,822</u>	<u>22,622</u>	<u>18,800</u>
Nonoperating revenues (expenses)			
Interest income	42	895	853
Taxes	9,667	10,182	515
Increase in net assets	<u>9,709</u>	<u>11,077</u>	<u>1,368</u>
Net income	<u>13,531</u>	<u>33,699</u>	<u>20,168</u>
Other budgeted items			
Non-expense			
Purchase/construction of fixed assets	250,000	13,912	236,088
Transfer to (from) reserves	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Net income including other budgeted items	<u>\$ 13,531</u>	<u>\$ 19,787</u>	<u>\$ 6,256</u>

Allenspark Water and Sanitation District
Schedule of Treatment and Administrative Expenses
For the Year Ended December 31, 2018

	Budget	Actual	Variance Favorable (Unfavor- able)
TREATMENT			
Payroll			
Salaries	\$ 35,114	\$ 28,902	\$ 6,212
Payroll taxes	4,854	2,273	2,581
	<u>39,968</u>	<u>31,175</u>	<u>8,793</u>
Other			
Education	-	235	(235)
Operating supplies	4,425	418	4,007
Repairs and maintenance	2,650	555	2,095
Utilities	4,660	4,961	(301)
Vehicle	-	1,650	(1,650)
Water tests and permits	2,970	2,508	462
Total treatment expenses	<u>\$ 54,673</u>	<u>\$ 41,502</u>	<u>\$ 13,171</u>
ADMINISTRATIVE			
Payroll			
Salaries	\$ 12,270	\$ 12,270	\$ -
Payroll taxes	1,705	965	740
	<u>13,975</u>	<u>13,235</u>	<u>740</u>
Other			
Insurance	4,520	3,550	970
Legal and professional	4,200	4,072	128
Miscellaneous	4,400	1,559	2,841
Office supplies	2,460	2,233	227
Rent	-	1,200	(1,200)
Treasurers fee	-	145	(145)
Total administrative expenses	<u>\$ 29,555</u>	<u>\$ 25,994</u>	<u>\$ 3,706</u>