

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Devonshire Heights Water and Sanitation District
Arapahoe County
Steve Schroder, Manager
575-312-8415
smcllc3@msn.com

For the Year Ended
12/31/19
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

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.

NAME:	Steve Schroder, Manager
TITLE	District Manager
FIRM NAME (if applicable)	Schroder Management Co., LLC
ADDRESS	2070 Wagon Mound Trail, Las Cruces, NM 88012
PHONE	575-312-8415
DATE PREPARED	5-Feb-20

PREPARER (SIGNATURE REQUIRED)



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

GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
<input type="checkbox"/>	<input type="checkbox"/>

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RECEIVED

Office of the State Auditor

March 25, 2020

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 (report mills levied in Question 10-6)	\$ -	
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	\$ -	
2-14	Charges for utility services	\$ 28,600	
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):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 28,600	

PART 3 - EXPENDITURES/EXPENSES

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	\$ 6,600	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 16,752	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 2,262	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ 936	
3-9	Supplies	\$ 36	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ 751	
3-18	Debt service interest	\$ -	
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/EXPENSES	\$ 27,337	

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

- | | | | |
|-----|---|-------------------------------------|--------------------------|
| | | Yes | No |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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	\$ 10,934	\$ -	\$ 751	\$ 10,183
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 10,934	\$ -	\$ 751	\$ 10,183

*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 type="checkbox"/> |
| | What are the annual lease payments? \$ - | | |

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	\$ 34,875	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 34,875
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
5-3		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ 34,875

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 type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5-5 | Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

**WATER POLLUTION CONTROL REVOLVING FUND
 LOAN REPAYMENT SCHEDULE
 HILLCREST WATER AND SANITATION DISTRICT
 Loan Number: #WI13F311**

PAYMENT DATES	DEVONSHIRE HEIGHTS Portion	PAYMENT	PRINCIPAL	REMAINING PRINCIPAL	CALCULATED INTEREST
				\$507,047.64	
11/1/2015	\$375.63	\$16,799.12	\$11,728.64	\$495,319.00	\$5,070.48
5/1/2016	\$375.63	\$16,799.12	\$11,845.93	\$483,473.07	\$4,953.19
11/1/2016	\$375.63	\$16,799.12	\$11,964.39	\$471,508.68	\$4,834.73
5/1/2017	\$375.63	\$16,799.12	\$12,084.03	\$459,424.65	\$4,715.09
11/1/2017	\$375.63	\$16,799.12	\$12,204.87	\$447,219.78	\$4,594.25
5/1/2018	\$375.63	\$16,799.12	\$12,326.92	\$434,892.86	\$4,472.20
11/1/2018	\$375.63	\$16,799.12	\$12,450.19	\$422,442.67	\$4,348.93
5/1/2019	\$375.63	\$16,799.12	\$12,574.69	\$409,867.98	\$4,224.43
11/1/2019	\$375.63	\$16,799.12	\$12,700.44	\$397,167.54	\$4,098.68
5/1/2020	\$375.63	\$16,799.12	\$12,827.44	\$384,340.10	\$3,971.68
11/1/2020	\$375.63	\$16,799.12	\$12,955.72	\$371,384.38	\$3,843.40
5/1/2021	\$375.63	\$16,799.12	\$13,085.28	\$358,299.10	\$3,713.84
11/1/2021	\$375.63	\$16,799.12	\$13,216.13	\$345,082.97	\$3,582.99
5/1/2022	\$375.63	\$16,799.12	\$13,348.29	\$331,734.68	\$3,450.83
11/1/2022	\$375.63	\$16,799.12	\$13,481.77	\$318,252.91	\$3,317.35
5/1/2023	\$375.63	\$16,799.12	\$13,616.59	\$304,636.32	\$3,182.53
11/1/2023	\$375.63	\$16,799.12	\$13,752.76	\$290,883.56	\$3,046.36
5/1/2024	\$375.63	\$16,799.12	\$13,890.28	\$276,993.28	\$2,908.84
11/1/2024	\$375.63	\$16,799.12	\$14,029.19	\$262,964.09	\$2,769.93
5/1/2025	\$375.63	\$16,799.12	\$14,169.48	\$248,794.61	\$2,629.64
11/1/2025	\$375.63	\$16,799.12	\$14,311.17	\$234,483.44	\$2,487.95
5/1/2026	\$375.63	\$16,799.12	\$14,454.29	\$220,029.15	\$2,344.83
11/1/2026	\$375.63	\$16,799.12	\$14,598.83	\$205,430.32	\$2,200.29
5/1/2027	\$375.63	\$16,799.12	\$14,744.82	\$190,685.50	\$2,054.30
11/1/2027	\$375.63	\$16,799.12	\$14,892.26	\$175,793.24	\$1,906.86
5/1/2028	\$375.63	\$16,799.12	\$15,041.19	\$160,752.05	\$1,757.93
11/1/2028	\$375.63	\$16,799.12	\$15,191.60	\$145,560.45	\$1,607.52
5/1/2029	\$375.63	\$16,799.12	\$15,343.52	\$130,216.93	\$1,455.60
11/1/2029	\$375.63	\$16,799.12	\$15,496.95	\$114,719.98	\$1,302.17
5/1/2030	\$375.63	\$16,799.12	\$15,651.92	\$99,068.06	\$1,147.20
11/1/2030	\$375.63	\$16,799.12	\$15,808.44	\$83,259.62	\$990.68
5/1/2031	\$375.63	\$16,799.12	\$15,966.52	\$67,293.10	\$832.60
11/1/2031	\$375.63	\$16,799.12	\$16,126.19	\$51,166.91	\$672.93
5/1/2032	\$375.63	\$16,799.12	\$16,287.45	\$34,879.46	\$511.67
11/1/2032	\$375.63	\$16,799.12	\$16,450.33	\$18,429.13	\$348.79
5/1/2033	\$375.63	\$16,799.12	\$16,614.83	\$1,814.30	\$184.29
11/1/2033	\$40.97	\$1,832.44	\$1,814.30	\$0.00	\$18.14
Total	\$13,563.59	\$606,600.76	\$507,047.64		\$99,553.12

10,183

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? 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:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

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? 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 \$ -

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.? 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/Expenses
General Fund	\$ 34,063
Reserve Fund	\$ 28,773

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)]?

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

Is this application for a newly formed governmental entity?

10-1

If yes: **Date of formation:**

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

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

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

10-4 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:**

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: **Date Filed:**

10-6 Does the entity have a certified Mill Levy?

If yes: **Please provide the following mills levied for the year reported (do not report \$ amounts):**

Bond Redemption mills

	-
--	---

General/Other mills

	-
--	---

Total mills

	-
--	---

Please use this space to provide any explanations or comments:

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

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

Board Member 1	Dudley Morton	I <u>Dudley Morton</u> , 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: <u>[Signature]</u> Date: <u>3/20/2020</u> My term Expires: <u>May 2020</u>
Board Member 2	Scott Fisher	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: <u>May 2020</u>
Board Member 3	William Lucas	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: <u>May 2020</u>
Board Member 4		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 5		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		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		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: _____

2020 2-18-20

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

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

Board Member 1

Dudley Morton

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: May 2020

Board Member 2

Scott Fisher

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: May 2020

Board Member 3

William Lucas

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 William B Lucas
Date: 2-11-20
My term Expires: May 2020

Board Member 4

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 5

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

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

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: _____

Print the names of ALL members of current governing body below.

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

Board Member	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: _____
1	Dudley Morton	_____, 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: <u>MAY 2020</u>
2	Scott Fisher	_____, 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: <u>3/15/20</u> My term Expires: <u>MAY 2020</u>
3	William Lucas	_____, 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: <u>MAY 2020</u>
4		_____, 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: _____
5		_____, 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: _____
6		_____, 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: _____
7		_____, 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: _____

DEVONSHIRE HEIGHTS WATER AND SANITATION DISTRICT

**SERVING THE DEVONSHIRE HEIGHTS SUBDIVISION
CHERRY HILLS VILLAGE, COLORADO**

Schroder Management Co., LLC, District Manager
2070 Wagon Mound Trl., Las Cruces, NM 88012
(575) 312-8415
smcllc3@msn.com

March 16, 2020

Office of the State Auditor
Local Government Audits
1525 Sherman St., 7th Floor
Denver, CO 80203

re. Devonshire Heights Water and Sanitation District 2019 Application for Exemption from Audit

Dear Ms. Dorsey,

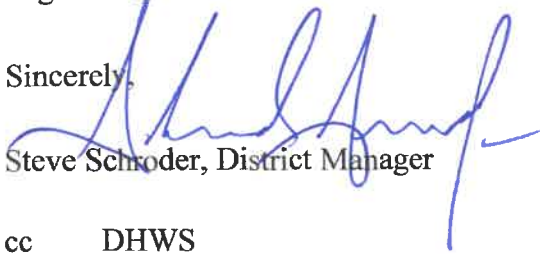
Please find enclosed the original and one copy of the completed Application for Exemption from Audit form complete with original signatures of a majority of the Devonshire Heights Water and Sanitation District Board of Directors. The district requests the exemption be granted.

You had several comments concerning the 2014 Audit Exemption as expressed in your letter of July 8, 2015. I used the information that was available to me at that time. The information, generally concerning debt, has been updated and made more specific to the Devonshire Heights W/S District. The loan repayment schedule has been updated and enclosed in the 2019 application for your review.

By way of explanation, the DHWS district is party to an IGA with four other districts to maintain a shared sewer line. Hillcrest Water and Sanitation district was the lead agency in securing a state loan for relining this shared line as well as other unrelated work. 43% of the loan proceeds were spent on the shared line relining. The attached repayment schedule shows DHWS's 5.2% portion of the overall debt. The DHWS district's semi-annual payments are \$375.63. The final installment is due on Nov. 1, 2033. The debt service payments are budgeted as a line item in the General fund. All district expenditures are funded by the annual sewer fee paid by the district landowners.

Please let me know if you have questions or need further information.

Sincerely,


Steve Schroder, District Manager

cc DHWS
encl.

Please initial and return the enclosed copy of this letter as verification of receipt. A postage-paid, return envelope is enclosed for your convenience.

Verification

Date