

**APPLICATION FOR EXEMPTION FROM AUDIT  
LONG FORM**

NAME OF GOVERNMENT  
ADDRESS

NORTH LA JUNTA SANITATION DISTRICT
208 SEELEY
LA JUNTA, CO 81050
CAROLYN MILLS
719-384-7408
CSMILLS40@BRESNAN.NET

For the Year Ended  
12/31/2020  
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:	PATRICK HANCOCK, CPA
TITLE	MEMBER
FIRM NAME (if applicable)	HANCOCK FROESE & COMPANY LLC
ADDRESS	601 S. 8TH STREET, ROCKY FORD, CO 81067
PHONE	719-688-0812
DATE PREPARED	2/10/2021
RELATIONSHIP TO ENTITY	Perform a compilation engagement which includes financial statements in the prescribed form as required by the State Auditor

**PREPARER** (SIGNATURE REQUIRED)

*Patrick Hancock, 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"/>	



**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*	
<b>Assets</b>				<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 230,313	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ 2,400	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets [specify...]	\$ -	\$ -	Other Current Assets	\$ 25,053	\$ -	
1-5		\$ -	\$ -	<b>Total Current Assets</b>	\$ 257,766	\$ -	
1-6		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ 345,125	\$ -	
1-7		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-8		\$ -	\$ -		\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ -	\$ -	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ 602,891	\$ -	
1-12	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	
1-13	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 602,891	\$ -	
<b>Liabilities</b>				<b>Liabilities</b>			
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 2,600	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ 1,538	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ 1,154	\$ -	
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	<b>TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -	<b>TOTAL CURRENT LIABILITIES</b>	\$ 5,292	\$ -	
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ 125,000	\$ -	
1-21		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-22		\$ -	\$ -		\$ -	\$ -	
1-23		\$ -	\$ -		\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27		\$ -	\$ -		\$ -	\$ -	
1-28	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	\$ -	\$ -	(add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>	\$ 130,292	\$ -	
1-29	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -	
<b>Fund Balance</b>				<b>Net Position</b>			
1-30	Nondisposable Prepaid	\$ -	\$ -	Net investment in Capital Assets	\$ -	\$ -	
1-31	Nondisposable Inventory	\$ -	\$ -				
1-32	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ 35,000	\$ -	
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 437,599	\$ -	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ -	\$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ 472,599	\$ -	
1-37	Add lines 1-28, 1-29 and 1-38 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ -	\$ -	Add lines 1-28, 1-29 and 1-38 This total should be the same as line 1-13 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ 602,891	\$ -	

**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*	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
2-1	Property [include mills levied in Question 10-6]	\$ -	\$ -	Property [include mills levied in Question 10-6]	\$ 2,380	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ 520	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ 2,900	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ 118,229	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 2,560	\$ -	
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...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 123,689	\$ -	
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 123,689	\$ -	\$ 123,689

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/EXPENSES**

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*	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 16,520	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 13,600	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 1,034	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ 1,360	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 2,926	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 2,840	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 41,012	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 3,500	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other Director's Fees	\$ 2,200	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ 8,010	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ 93,002	\$ -	<b>GRAND TOTAL</b>
	<b>TOTAL EXPENDITURES</b>	\$ -	\$ -	<b>TOTAL EXPENSES</b>	\$ -	\$ -	<b>93,002</b>
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	\$ 32,226	\$ -	
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)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>	\$ -	\$ -	<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>	\$ (32,226)	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	<b>TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures			Net Increase (Decrease) in Net Position			
	Line 2-29, less line 3-22, plus line 3-29	\$ -	\$ -	Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ (1,539)	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 474,138	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31			Net Position, December 31			
	Sum of Line 3-30, 3-31, and 3-32	\$ -	\$ -	Line 3-30 plus line 3-31	\$ 472,599	\$ -	
	This total should be the same as line 1-36.	\$ -	\$ -	This total should be the same as line 1-36.	\$ -	\$ -	

**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?  YES       NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain:  YES       NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain:  YES       NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ 125,000	\$ -	\$ -	\$ 125,000
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>

\*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?  YES       NO
- If yes: How much? \$ -
- Date the debt was authorized: \_\_\_\_\_
- 4-6 Does the entity intend to issue debt within the next calendar year?  YES       NO
- If yes: How much? \$ -
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for?  YES       NO
- If yes: What is the amount outstanding? \$ -
- 4-8 Does the entity have any lease agreements?  YES       NO
- 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?  YES       NO
- 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	\$ 79,424	
5-2	Certificates of deposit	\$ 150,889	
<b>TOTAL CASH DEPOSITS</b>			<b>\$ 230,313</b>
<b>Investments (if investment is a mutual fund, please list underlying investments):</b>			
		\$ -	
		\$ -	
		\$ -	
		\$ -	
	<b>TOTAL INVESTMENTS</b>		<b>\$ -</b>
	<b>TOTAL CASH AND INVESTMENTS</b>		<b>\$ 230,313</b>

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.?  YES       NO       N/A
- 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:  YES       NO       N/A

**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):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ 157,279	\$ -	\$ -	\$ 157,279
Buildings	\$ -	\$ 5,195	\$ -	\$ 5,195
Machinery and equipment	\$ 50,208	\$ 4,129	\$ -	\$ 54,337
Furniture and fixtures	\$ 1,720	\$ -	\$ -	\$ 1,720
Infrastructure	\$ 1,214,813	\$ -	\$ -	\$ 1,214,813
Construction In Progress (CIP)	\$ 112,295	\$ -	\$ -	\$ 112,295
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (1,168,288)	\$ (32,226)	\$ -	\$ (1,200,514)
<b>TOTAL</b>	<b>\$ 368,027</b>	<b>\$ (22,902)</b>	<b>\$ -</b>	<b>\$ 345,125</b>

\*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, SG, 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?	\$ -

**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/Expenses
ENTERPRISE	\$ 887,918
	\$ -
	\$ -
	\$ -

**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)]?  YES                       NO
- Note: An election to exempt the government from the spending limitations of TABOR does not exempt the

**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	1.781
<b>Total mills</b>	<b>1.781</b>

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 body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual 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 members of the governing body below.

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

	Full Name	
1	Dean Skramstad	I, <u>Dean Skramstad</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>Dean Skramstad</u> Date: <u>3/2/21</u> My term Expires: <u>2022</u>
2	Bradley Goodrich	I, <u>Bradley Goodrich</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>Bradley Goodrich</u> Date: <u>3/2/21</u> My term Expires: <u>2022</u>
3	Wayne Mills	I, <u>Wayne Mills</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>Wayne Mills</u> Date: <u>3/2/21</u> My term Expires: <u>2023</u>
4	Natalie Mills	I, <u>Natalie Mills</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>Natalie Mills</u> Date: <u>3/4/21</u> My term Expires: <u>Resigned 3/4/21</u> <u>2022</u>
5		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: _____
6		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: _____
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: _____

*Gary Dougherty - deceased*

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$125,000.00	09-22-2020	09-22-2021	7768160	40/650 / 38		16	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

<b>Borrower:</b> NORTH LA JUNTA SANITATION DISTRICT (TIN: 84-0804865) 208 Seeley La Junta, CO 81050	<b>Lender:</b> First National Bank of Las Animas La Junta Office 402 Colorado P. O. Box 1030 La Junta, CO 81050
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**Principal Amount: \$125,000.00      Interest Rate: 2.500%      Date of Note: September 22, 2020**

**PROMISE TO PAY.** NORTH LA JUNTA SANITATION DISTRICT ("Borrower") promises to pay to First National Bank of Las Animas ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Twenty-five Thousand & 00/100 Dollars (\$125,000.00), together with interest on the unpaid principal balance from September 22, 2020, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 2.500% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in one principal payment of \$125,000.00 plus interest on September 22, 2021. This payment due on September 22, 2021, will be for all principal and all accrued interest not yet paid. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 for all years, including leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$25.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First National Bank of Las Animas, La Junta Office, 402 Colorado, P. O. Box 1030, La Junta, CO 81050.

**LATE CHARGE.** If a payment is 11 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$100.00, whichever is less.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 18.000% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

- Payment Default.** Borrower fails to make any payment when due under this Note.
- Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.
- False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
- Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.
- Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.
- Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.
- Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.
- Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.
- Insecurity.** Lender in good faith believes itself insecure.
- Cure Provisions.** If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the reasonable costs of such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Colorado.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Otero County, State of Colorado.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$18.50 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**COLLATERAL.** Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: certificates of deposit described in an Assignment of Deposit Account dated September 22, 2020.

PROMISSORY NOTE  
(Continued)

Loan No: 7768160

Page 2

**FINANCIAL INFORMATION.** Borrower(s) agree to provide any and all financial information as requested by Lender including but not limited to any of the following: financial statements, tax returns, cash flows, rent schedules, income statements and accounts receivables and agings.

**CAPITAL EXPENDITURES.** Borrower(s) hereby covenant that Borrower shall not without prior written consent of the Lender make or contract to make capital expenditures, including leasehold improvements in any fiscal year or incur liability for lease or rental of property (including both real and personal property) in an amount that exceeds 5% of the committed loan amount.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: First National Bank of Las Animas P.O. Box 270 Las Animas, CO 81054.


**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**NORTH LA JUNTA SANITATION DISTRICT**

By:   
Dean Skramstad, President of NORTH LA JUNTA  
SANITATION DISTRICT

# HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS  
601 SOUTH EIGHTH STREET  
ROCKY FORD, COLORADO 81067

Patrick A. Hancock CPA 719-688-0812  
Andrew H. Froese CPA 719-980-1962

## ACCOUNTANTS' COMPILATION REPORT

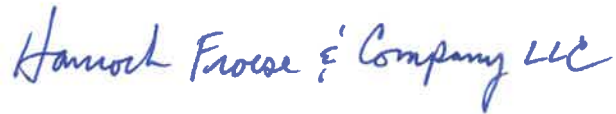
To the Board of Directors  
North La Junta Sanitation District  
La Junta, Colorado

Management is responsible for the accompanying financial statements of the North La Junta Sanitation District, which comprise the balance sheet as of December 31, 2020, and the related statements of revenue and expenditures for the year then ended, included in the accompanying prescribed form in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the State of Colorado, Office of the State Auditor and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

### **Supplementary Information**

The accompanying supplementary information contained in Part 2 through 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.



HANCOCK FROESE & COMPANY LLC

February 10, 2021