

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Otis Sanitation District
PO Box 182
Otis, CO 80743

For the Year Ended
12/31/20
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

David Allen
970-554-0563
davera1950@gmail.com

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:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Melanie K. Krening
Public Accountant
Melanie K. Krening, PA
PO Box 536 - Akron, CO 80720
970-345-2342
3/15/2021

PREPARER (SIGNATURE REQUIRED)

Melanie K. Krening

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

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



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)	\$ 3,987	
2-2	Specific ownership	\$ 404	
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	\$ 71,069	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 1,584	
2-14	Charges for utility services	\$ -	
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): Miscellaneous	\$ 303	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 77,347	

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	\$ 880	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ 49,792	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ 14,399	
3-18	Debt service interest	\$ 12,704	
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	\$ 77,775	



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.	☒	☐
4-2 Is the debt repayment schedule attached? If no, MUST explain: 	☒	☐
4-3 Is the entity current in its debt service payments? If no, MUST explain: 	☒	☐
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ 748,415	\$ 14,399
Leases	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
TOTAL	\$ 748,415	\$ 14,399

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ -	☐	☒
Date the debt was authorized:		
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	☐	☒
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	☐	☒
4-8 Does the entity have any lease agreements? 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? 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	\$ 189,546	
5-2 Certificates of deposit	\$ 222,387	
Total Cash Deposits		\$ 411,933
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ 411,933

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.?	☒	☐	☐
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 use this space to provide any explanations:



PART 6 - CAPITAL ASSETS

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

Yes No

6-1 Does the entity have capital assets?

☒ ☐

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain:

☒ ☐

6-3 Complete the following capital assets table:

	Balance - beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ 53,368	\$ -	\$ -	\$ 53,368
Buildings	\$ 35,000	\$ -	\$ -	\$ 35,000
Machinery and equipment	\$ 2,125	\$ -	\$ -	\$ 2,125
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ 1,598,488	\$ -	\$ -	\$ 1,598,488
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ (307,980)	\$ (32,125)	\$ -	\$ (340,105)
TOTAL	\$ 1,381,001	\$ (32,125)	\$ -	\$ 1,348,876

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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

Yes No

7-1 Does the entity have an "old hire" firemen's pension plan?

☐ ☒

7-2 Does the entity have a volunteer firemen's pension plan?

☐ ☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
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.?

☒ ☐ ☐

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

☒ ☐ ☐

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

Fund Name	Budgeted Expenditures/Expenses
General	\$ 475,793



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

10-1 Is this application for a newly formed governmental entity?

☐
☒

If yes: Date of formation:

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

☐
☒

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

10-3 Is the entity a metropolitan district?

☐
☒

Please indicate what services the entity provides:

Sanitary Sewer Services

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

	-
	2.266
	2.266

Please use this space to provide any explanations or comments:



PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1

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

☐☐

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

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

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

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

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



Print the names of ALL 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	Jesse Stackhouse	I, Jesse Stackhouse, 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>Jesse Stackhouse</u> Date: <u>3-29-2021</u> My term Expires: 2022
Board Member 2	David Allen	I, David Allen, 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: 2023
Board Member 3	Jeremy Mandel	I, Jeremy Mandel, 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>Jeremy Mandel</u> Date: <u>3-29-21</u> My term Expires: 2022
Board Member 4	Trent Alexander	I, Trent Alexander, 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>Trent Alexander</u> Date: <u>3-29-21</u> My term Expires: 2022
Board Member 5	Lonnie Knudsen	I, Lonnie Knudsen, 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: 2022
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



**Otis Sanitation District
Note Payable Analysis
December 31, 2020**

Year	Principal	Interest	Total
2018	13634.52	21249.48	34884.00
2019	14012.05	20871.95	34884.00
2020	14344.18	20539.82	34884.00
2021	14797.20	20086.80	34884.00
2022	15206.93	19677.07	34884.00
2023	15627.99	19256.01	34884.00
2024	16009.44	18874.56	34884.00
2025	16504.00	18380.00	34884.00
2026	16960.97	17923.03	34884.00
2027	17430.61	17453.39	34884.00
2028	17867.09	17016.91	34884.00
2029	18407.97	16476.03	34884.00
2030	18917.67	15966.33	34884.00
2031	19441.48	15442.52	34884.00
2032	19939.34	14944.66	34884.00
2033	20531.90	14352.10	34884.00
2034	21100.41	13783.59	34884.00
2035	21684.66	13199.34	34884.00
2036	22250.98	12633.02	34884.00
2037	22901.20	11982.80	34884.00
2038	23535.31	11348.69	34884.00
2039	24186.98	10697.02	34884.00
2040	24829.68	10054.32	34884.00
2041	25544.21	9339.79	34884.00
2042	26251.50	8632.50	34884.00
2043	26978.37	7905.63	34884.00
2044	27706.29	7177.71	34884.00
2045	28492.55	6391.45	34884.00
2046	29281.48	5602.52	34884.00
2047	30092.25	4791.75	34884.00
2048	30915.22	3968.78	34884.00
2049	31781.49	3102.51	34884.00
2050	32661.49	2222.51	34884.00
2051	33565.86	1318.14	34884.00
2052	22629.66	389.14	23018.80
	776022.93	433051.87	1209074.80



RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT
(Pursuant to Section 29-1-604, C.R.S.)

2021-1

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 2020 FOR THE Otis Sanitation District, STATE OF COLORADO.

WHEREAS, the Board of Directors of the Otis Sanitation District wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

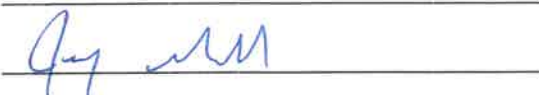
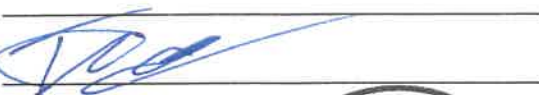
WHEREAS, neither revenues nor expenditures for the Otis Sanitation District exceeded \$750,000 for Year 2020; and

WHEREAS, an Application for Exemption from Audit for the Otis Sanitation District has been prepared by Melanie K. Krening, PA, an independent accounting firm with knowledge of governmental accounting; and

WHEREAS, said Application for Exemption from Audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the Board of Directors of the Otis Sanitation District that the Application for Exemption from Audit for the Otis Sanitation District for the year ended December 31, 2020, has been personally reviewed and is hereby approved by a majority of the Board of Directors of the Otis Sanitation District; that those members of the Board of Directors have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of the Application for Exemption from Audit of the Otis Sanitation District for the year ended December 31, 2020.

ADOPTED THIS 29 day of March, 2021.

Printed Name of Director	Date Term Expires	Signature
Jesse Stackhouse	2022	
David Allen	2023	
Jeremy Mandel	2022	
Lonnie Knudsen	2022	
Trent Alexander	2022	

