

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

SOMERSET DOMESTIC WATER COMPANY
PO BOX 549
SOMERSET, CO 81434

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

CONTACT PERSON
PHONE
EMAIL
FAX

TAMMY STERNS
970-929-5211

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

JEFFREY HENION
PA, EA
HENION TAX & ACCOUNTING SERVICES
PO BOX 938, PAONIA, CO 81428
970-527-2350
JANUARY 22, 2020

PREPARER (SIGNATURE REQUIRED)

Jeffrey Henion

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 checked="" type="checkbox"/>

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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	\$ 158	
2-14	Charges for utility services	\$ 53,207	
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	\$ 1,702	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify): GRANTS	\$ 24,069	
2-22	MISC.	\$ 143	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 79,279	

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	\$ 5,433	
3-2	Salaries	\$ 8,576	
3-3	Payroll taxes	\$ 1,173	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 993	
3-7	Accounting and legal fees	\$ 14,565	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ 3,616	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ 4,775	
3-15	Utility operations	\$ 18,978	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ 6,411	
3-18	Debt service interest	\$ 1,613	
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): ENGINEERING FEES	\$ 2,975	
3-24	GRANT	\$ 17,700	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 86,808	

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.

- 4-1 Does the entity have outstanding debt? Yes No
 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: 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)(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	\$ 32,266	\$ -	\$ 6,411	\$ 25,855
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 32,266	\$ -	\$ 6,411	\$ 25,855

*must tie 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? 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? \$ -

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	\$ 77,442	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 77,442
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3	_____	\$ -	
	_____	\$ -	
	_____	\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ 77,442

Please answer the following questions by marking in the appropriate boxes

- 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.)? Yes No N/A

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? 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	\$ 7,500	\$ -	\$ -	\$ 7,500
Buildings	\$ 50,350	\$ -	\$ -	\$ 50,350
Machinery and equipment	\$ 775	\$ 4,775	\$ -	\$ 5,550
Furniture and fixtures	\$ 1,435	\$ -	\$ 1,435	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): INFRASTRUCTURE	\$ 121,672	\$ -	\$ -	\$ 121,672
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 181,732	\$ 4,775	\$ 1,435	\$ 185,072

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	\$ 78,784
DEBT SERVICE	\$ 8,024

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

Please answer the following question by marking in the appropriate box

Yes

No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

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:

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:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy? YES NO

N/A

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

Policy - Requirements

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

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

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

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

Print the names of ALL 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	JOHN MLAKAR	I <u>JOHN MLAKAR</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>2-4-21</u> My term Expires: <u>2023</u>
Board Member 2	THOMAS RAYMOND	I <u>THOMAS RAYMOND</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>2/10/2021</u> My term Expires: <u>2022</u>
Board Member 3	WILLIAM STERNS	I <u>WILLIAM STERNS</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>2-22-2021</u> My term Expires: <u>2023</u>
Board Member 4	TIGRAN VALDEZ-BAILEY	I <u>TIGRAN VALDEZ-BAILEY</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 _____ Date: _____ My term Expires: <u>2023</u>
Board Member 5	CHRIS YOUNG	I <u>CHRIS YOUNG</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>2/10/2021</u> My term Expires: <u>2022</u>
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 <u>[Signature]</u> Date: <u>2/10/2021</u> 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: _____

Supplemental Information for Exemption from Audit
For the year ended December 31, 2020

Entity: Somerset Domestic Waterworks Dist.

Schedule # 1

Debt schedule

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

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

The 1st payment was made September 1, 2005.

The debt is to Gunnison County Board of Commissioners.

Schedule of debt service payments:

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