

**APPLICATION FOR EXEMPTION FROM AUDIT  
LONG FORM**

NAME OF GOVERNMENT  
ADDRESS

Mustang Water Authority
P.O. Box 177
Nucla, Colorado 81424-0177

For the Year Ended  
12/31/21  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL  
FAX

Terri Hunter
970-428-7165
mustangwaterauthority@gmail.com

**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:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED  
RELATIONSHIP TO ENTITY

Donald R. Moreland
Certified Public Accountant
Donald R. Moreland & Associates, PC
1675 Niagara Road, Montrose, Colorado 81401
(970) 249-3424
3-24-2022
Independent

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**PREPARER (SIGNATURE REQUIRED)**

*Donald R. Moreland*

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.

Please use this space to provide explanation of any items on this page

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		Fund*	Fund*		Enterprise Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 114,340	\$ -
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ -	\$ -	Receivables	\$ 38,666	\$ -
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets [specify...]	\$ -	\$ -
	All Other Assets [specify...]	\$ -	\$ -		\$ -	\$ -
1-6		\$ -	\$ -	<b>Total Current Assets</b>	\$ 153,006	\$ -
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ 1,025,617	\$ -
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-9		\$ -	\$ -	Prepaid lease	\$ 44,408	\$ -
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>	\$ 1,223,031	\$ -
<b>Deferred Outflows of Resources</b>				<b>Deferred Outflows of Resources</b>		
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-14	(add lines 1-12 through 1-13) <b>TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	(add lines 1-12 through 1-13) <b>TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 1,223,031	\$ -
<b>Liabilities</b>				<b>Liabilities</b>		
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 5,500	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ 4,762	\$ -
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ 804	\$ -
1-19	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-21	(add lines 1-16 through 1-20) <b>TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -	(add lines 1-16 through 1-20) <b>TOTAL CURRENT LIABILITIES</b>	\$ 11,066	\$ -
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ 135,730	\$ -
1-23		\$ -	\$ -	Other Liabilities [specify...]	\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27	(add lines 1-21 through 1-26) <b>TOTAL LIABILITIES</b>	\$ -	\$ -	(add lines 1-21 through 1-26) <b>TOTAL LIABILITIES</b>	\$ 146,796	\$ -
<b>Deferred Inflows of Resources</b>				<b>Deferred Inflows of Resources</b>		
1-28	Deferred Property Taxes	\$ -	\$ -	Pension Related	\$ -	\$ -
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -
1-30	(add lines 1-28 through 1-29) <b>TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -	(add lines 1-28 through 1-29) <b>TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -
<b>Fund Balance</b>				<b>Net Position</b>		
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ 889,667	\$ -
1-32	Nonspendable Inventory	\$ -	\$ -		\$ -	\$ -
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ 4,284	\$ -
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 182,064	\$ -
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ -	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ 1,076,235	\$ -
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ -	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ 1,223,031	\$ -

## 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*	Fund*	
<b>Tax Revenue</b>							
2-1	Property (include mills levied in Question 10-6)	\$ -	\$ -	Property (include mills levied in Question 10-6)	\$ -	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue (specify...):	\$ -	\$ -	Other Tax Revenue (specify...):	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 <b>TOTAL TAX REVENUE</b>	\$ -	\$ -	Add lines 2-1 through 2-7 <b>TOTAL TAX REVENUE</b>	\$ -	\$ -	
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	\$ 314,167	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 3	\$ -	
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...): Miscellaneous	\$ 5,000	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 <b>TOTAL REVENUES</b>	\$ -	\$ -	Add lines 2-8 through 2-23 <b>TOTAL REVENUES</b>	\$ 319,170	\$ -	
<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	Add lines 2-25 through 2-27 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	Add lines 2-25 through 2-27 <b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	
2-29	Add lines 2-24 and 2-28 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	Add lines 2-24 and 2-28 <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 319,170	\$ -	\$ 319,170

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*	Fund*	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 98,484	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 9,855	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ 400	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ 12,554	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 10,434	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 3,377	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 14,466	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ 30,045	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 36,784	\$ -	
3-11	Other (specify...):	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other (specify...): schedule attached	\$ 20,745	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	<b>Debt Service</b>			<b>Debt Service</b>			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ 59,406	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ 7,559	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other (specify...):	\$ -	\$ -	All Other (specify...):	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21 <b>TOTAL EXPENDITURES</b>	\$ -	\$ -	Add lines 3-1 through 3-21 <b>TOTAL EXPENSES</b>	\$ 304,109	\$ -	\$ 304,109
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	\$ 126,083	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Usave) (from line 2-26)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-16)	\$ 59,406	\$ -	
3-29	(Add lines 3-23 through 3-28) <b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) <b>TOTAL GAAP RECONCILING ITEMS</b>	\$ (68,677)	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ -	Net (Increase) (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ (51,618)	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 1,155,898	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ (28,047)	\$ -	
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ 1,076,235	\$ -	

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES                      NO

Please use this space to provide any explanations or comments:

4-1	Does the entity have outstanding debt?	<input 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"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)			
	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
	\$ -	\$ -	\$ -	\$ -
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ 165,612	\$ -	\$ 44,999	\$ 120,613
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ 29,524	\$ -	\$ 14,407	\$ 15,117
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ 195,136</b>	<b>\$ 59,406</b>	<b>\$ 135,730</b>

\*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

4-5	Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	
If yes:	What is being leased?	Water facilities		
	What is the original date of the lease?	14-Sep-14		
	Number of years of lease?	Ongoing		
	Is the lease subject to annual appropriation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	What are the annual lease payments?	\$ 1,750		

## 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	\$ 114,340		
5-2	Certificates of deposit	\$ -		
	<b>TOTAL CASH DEPOSITS</b>		<b>\$ 114,340</b>	
<b>Investments (if investment is a mutual fund, please list underlying investments):</b>				
5-3		\$ -		
		\$ -		
		\$ -		
		\$ -		
	<b>TOTAL INVESTMENTS</b>		<b>\$ -</b>	
	<b>TOTAL CASH AND INVESTMENTS</b>		<b>\$ 114,340</b>	

Please use this space to provide any explanations or comments:

Please answer the following question by marking in the appropriate box.

		YES	NO	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input 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.)? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PART 6 - CAPITAL ASSETS**

Please answer the following question by marking in the appropriate box

YES                      NO

Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets?  YES                       NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no,  YES                       NO

**MUST explain:**

6-3 Complete the following Capital Assets table for **GOVERNMENTAL FUNDS**:

	Balance - beginning of the year <sup>1</sup>	Additions <sup>2</sup>	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 <sup>1</sup>	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ 1,907,690	\$ -	\$ -	\$ 1,907,690
Machinery and equipment	\$ 287,493	\$ -	\$ -	\$ 287,493
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain): Pipeline and storage tank	\$ 843,707	\$ -	\$ -	\$ 843,707
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (1,887,190)	\$ (126,083)	\$ -	\$ (2,013,273)
<b>TOTAL</b>	<b>\$ 1,151,700</b>	<b>\$ (126,083)</b>	<b>\$ -</b>	<b>\$ 1,025,617</b>

<sup>1</sup> Must agree to prior year-end balance  
<sup>2</sup> Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

**PART 7 - PENSION INFORMATION**

YES                      NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  YES                       NO
- 7-2 Does the entity have a volunteer firefighters' pension plan?  YES                       NO
- If yes: Who administers the plan?  YES                       NO

Indicate the contributions from:

Tax (property, SO, 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	
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:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:
8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
Enterprise - Water	\$ 324,991
	\$ -
	\$ -
	\$ -

**PART 9 - TAX PAYER'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))?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:
<small>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.</small>			

**PART 10 - GENERAL INFORMATION**

Please answer the following question by marking in the appropriate box

	YES	NO						
10-1 Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please use this space to provide any explanations or comments:					
If yes: Date of formation:	<input style="width: 150px; height: 30px;" type="text"/>							
10-2 Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
If Yes: NEW name	<input style="width: 400px; height: 20px;" type="text"/>							
PRIOR name	<input style="width: 400px; height: 20px;" type="text"/>							
10-3 Is the entity a metropolitan district?	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
10-4 Please indicate what services the entity provides:	<input style="width: 450px; height: 20px;" type="text"/>							
10-5 Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
If yes: List the name of the other governmental entity and the services provided:	<input style="width: 450px; height: 20px;" type="text"/>							
10-6 Does the entity have a certified mill levy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Bond Redemption mills</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>General/Other mills</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td><b>Total mills</b></td> <td style="text-align: right;"><b>0.000</b></td> </tr> </table>		Bond Redemption mills	0.000	General/Other mills	0.000	<b>Total mills</b>	<b>0.000</b>
Bond Redemption mills	0.000							
General/Other mills	0.000							
<b>Total mills</b>	<b>0.000</b>							

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

**OSA USE ONLY**

Entity Wide:		General Fund		Governmental Funds		Notes		
Unrestricted Cash & Investments	\$	114,340	Unrestricted Fund Balance	\$	-	Total Tax Revenue	\$	
Current Liabilities	\$	11,088	Total Fund Balance	\$	-	Revenue Paying Debt Service	\$	
Deferred Inflow	\$	-	- PY Fund Balance	\$	-	Total Revenue	\$	
			Total Revenue	\$	-	Total Debt Service Principal	\$	
			Total Expenditures	\$	-	Total Debt Service Interest	\$	
			Interfund In	\$	-			
<b>Governmental</b>			- Interfund Out	\$	-	<b>Enterprise Funds</b>		
Total Cash & Investments	\$		- Proprietary	\$	-	Net Position	\$	1,078,235
Transfers In	\$		- Current Assets	\$	153,006	PY Net Position	\$	1,165,898
Transfers Out	\$		- Deferred Outflow	\$	-	- Government-Wide		
Property Tax	\$		- Current Liabilities	\$	11,088	Total Outstanding Debt	\$	135,730
Debt Service Principal	\$		- Deferred Inflow	\$	-	Authorized but Unissued	\$	
Total Expenditures	\$		- Cash & Investments	\$	114,340	Year Authorized	\$	01/00/00
Total Developer Advances	\$		- Principal Expense	\$	59,406			
Total Developer Repayments	\$							

**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	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: _____
1	John Gist	I, John Gist, 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>John Gist</u> Date: _____ My term Expires: April 30, 2022
2	John Riley	I, John Riley, 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>John Riley</u> Date: <u>3-25-2022</u> My term Expires: April 30, 2022
3	Paula Brown	I, Paula Brown, 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>Paula Brown</u> Date: <u>03-26-22</u> My term Expires: April 30, 2024
4	Tom Loczy	I, Tom Loczy, 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>Tom Loczy</u> Date: <u>3-26-22</u> My term Expires: April 30, 2023
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: _____

**EXHIBIT C**  
**DRINKING WATER REVOLVING FUND**  
**LOAN REPAYMENT SCHEDULE**  
**LISTIANG WATER AUTHORITY**

On or before the first of each date, commencing on November 1, 2004 the  
 Governmental Agency shall pay the amount set forth below.

<b>LOAN DATE:</b>	3-Dec-03
<b>LOAN AMOUNT:</b>	\$700,000
<b>INTEREST RATE:</b>	4.00%
<b>TERM (YEARS):</b>	20

**INTEREST DATE:** 11/1/2004

**INTEREST ALLOCATION**  
**FOR AUTHORITY**  
**PURPOSES ONLY**

<b>PAYMENT DATES</b>	<b>PAYMENT</b>	<b>PRINCIPAL</b>	<b>REMAINING PRINCIPAL</b>	<b>CALCULATED INTEREST</b>	<b>INTEREST</b>	<b>ADMIN. SURCHARGE</b>
11/01/04	\$25,599.02	\$11,599.02	\$700,000.00	\$14,000.00	12,000.00	2,000.00
05/01/05	\$25,599.02	\$11,820.80	\$688,179.20	\$13,768.22	11,768.22	2,000.00
11/01/05	\$25,599.02	\$12,057.22	\$676,121.98	\$13,531.80	11,531.80	2,000.00
05/01/06	\$25,599.02	\$12,298.36	\$664,823.62	\$13,290.66	11,290.66	2,000.00
11/01/06	\$25,599.02	\$12,544.33	\$653,279.29	\$13,044.69	11,044.69	2,000.00
05/01/07	\$25,599.02	\$12,795.22	\$641,484.07	\$12,793.81	9,263.81	3,500.00
11/01/07	\$25,599.02	\$13,051.12	\$629,432.95	\$12,537.80	9,037.80	3,500.00
05/01/08	\$25,599.02	\$13,312.15	\$617,120.80	\$12,276.88	8,776.88	3,500.00
11/01/08	\$25,599.02	\$13,578.39	\$604,542.41	\$12,010.84	8,516.84	3,500.00
05/01/09	\$25,599.02	\$13,849.95	\$591,692.46	\$11,739.07	8,259.07	3,500.00
11/01/09	\$25,599.02	\$14,126.85	\$578,565.61	\$11,462.07	7,997.07	3,500.00
05/01/10	\$25,599.02	\$14,409.49	\$565,156.12	\$11,179.55	7,733.55	3,500.00
11/01/10	\$25,599.02	\$14,697.69	\$551,458.43	\$10,891.34	7,469.34	3,500.00
05/01/11	\$25,599.02	\$14,991.64	\$537,466.79	\$10,597.89	7,207.89	3,500.00
11/01/11	\$25,599.02	\$15,291.47	\$523,175.32	\$10,297.85	6,947.85	3,500.00
05/01/12	\$25,599.02	\$15,597.20	\$483,988.12	\$9,991.72	6,797.55	3,500.00
11/01/12	\$25,599.02	\$15,909.25	\$445,078.87	\$9,679.78	6,541.72	3,500.00
05/01/13	\$25,599.02	\$16,227.43	\$407,851.44	\$9,361.59	6,381.59	3,500.00
11/01/13	\$25,599.02	\$16,551.98	\$405,300.23	\$9,037.04	6,207.04	3,500.00
05/01/14	\$25,599.02	\$16,883.02	\$418,417.21	\$8,706.00	6,028.00	3,500.00
11/01/14	\$25,599.02	\$17,220.68	\$401,196.53	\$8,368.34	5,848.34	3,500.00
05/01/15	\$25,599.02	\$17,565.09	\$386,631.44	\$8,023.93	5,663.93	3,500.00
11/01/15	\$25,599.02	\$17,916.39	\$365,715.04	\$7,672.63	5,472.63	3,500.00
05/01/16	\$25,599.02	\$18,274.72	\$347,440.32	\$7,314.30	5,274.30	3,500.00
11/01/16	\$25,599.02	\$18,640.22	\$322,800.11	\$6,948.81	5,078.81	3,500.00
05/01/17	\$25,599.02	\$19,013.02	\$302,787.09	\$6,578.00	4,888.00	3,500.00
11/01/17	\$25,599.02	\$19,393.28	\$290,393.80	\$6,185.74	4,693.74	3,500.00
05/01/18	\$25,599.02	\$19,781.15	\$270,612.65	\$5,807.89	4,507.89	3,500.00
11/01/18	\$25,599.02	\$20,176.77	\$250,435.88	\$5,412.25	4,322.25	3,500.00
05/01/19	\$25,599.02	\$20,580.31	\$229,855.58	\$5,008.72	4,138.72	3,500.00
11/01/19	\$25,599.02	\$20,991.91	\$208,863.67	\$4,597.11	3,957.11	2,000.00
05/01/20	\$25,599.02	\$21,411.75	\$187,451.92	\$4,177.27	3,797.27	2,000.00
11/01/20	\$25,599.02	\$21,849.99	\$165,611.93	\$3,749.04	3,649.04	2,000.00
05/01/21	\$25,599.02	\$22,297.78	\$143,324.15	\$3,282.84	3,502.84	2,000.00
11/01/21	\$25,599.02	\$22,752.32	\$120,571.83	\$2,896.70	3,356.70	1,500.00
05/01/22	\$25,599.02	\$23,176.77	\$97,456.06	\$2,492.26	3,212.26	1,500.00
11/01/22	\$25,599.02	\$23,640.30	\$73,795.76	\$1,948.72	3,068.72	1,500.00
05/01/23	\$25,599.02	\$24,113.11	\$49,682.65	\$1,475.92	2,925.92	1,500.00
11/01/23	\$25,599.02	\$24,595.37	\$25,087.28	\$998.65	2,804.65	500.00
05/01/24	\$25,599.02	\$25,087.28	\$0.00	\$501.75	1.75	500.00
<b>Total</b>	<b>\$1,021,590.94</b>	<b>\$700,000.00</b>	<b>\$700,000.00</b>	<b>\$233,590.94</b>	<b>\$211,590.94</b>	<b>\$172,000.00</b>



# JOHN DEERE FINANCIAL

Application ID: 12936152  
Version Number: 5

## LEASE PURCHASE AGREEMENT

<b>LESSOR'S NAME AND PHYSICAL ADDRESS</b> MUSTANG WATER AUTHORITY 29300 30.5 RD NUCLA, CO 81424-5024		<b>LESSEE'S TAX ID NUMBER</b> ...-3714	<b>LESSEE'S PHONE NO.</b> 970-864-7165	<b>TYPE OF BUSINESS Municipality</b>
<b>LESSEE RESIDES IN (County/State)</b> MONTROSE, CO		<b>LESSEE AGREES TO KEEP GOODS IN (County/State)</b> See Equipment Location and County for each item of Equipment below		
<b>NAME AND TITLE OF SIGNING OFFICER</b> CHRISTINE L DANIELS - CHAIR, BOARD OF DIRECTORS				

<b>LESSOR'S NAME AND ADDRESS</b> Deere Credit, Inc. P.O. Box 6980 Johnston, IA 50131-2945	<b>PHONE NUMBER</b> 800-828-8297
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This Lease Purchase Agreement ("Lease Agreement") is entered into between Deere Credit, Inc. as Lessor ("we", "us" or "our"), and the Lessee and any Co-Lessee identified above ("you" or "your").

Each Lessee and Co-Lessee shall be jointly and severally liable for all obligations under this Lease Agreement.

<b>EQUIPMENT LEASED</b>					
Year	Manufacturer	Equipment Description	Equipment Location	County	Outside City Limits
2019	JOHN DEERE	50G Compact Excavator	NUCLA, CO	MONTROSE	Yes
<b>ADDITIONAL DETAILS</b>					
Product ID	1FFD50GXEKH269767	Engine Hour Meter	2	Asset Level Payment*	Variable
				Selling Price	\$68,287.06

\*Asset Level Payments may not include applicable sales taxes. For purposes of this Lease Agreement, "Lease Payments" means the Lease Payment as identified below. *lower price \$5,000*

<b>LEASE PAYMENTS</b>	LEASE TERM START DATE: September 11, 2019	<i>base pay 43,987</i>
	LEASE TERM END DATE: September 11, 2023	

The first Lease Payment Due Date is September 11, 2019 and each successive Lease Payment is due on the same day of the Year thereafter, (the "Billing Period"), unless otherwise provided below

NUMBER OF PAYMENTS	AGGREGATE OF ASSET LEVEL PAYMENTS	SALESUSE TAX	LEASE PAYMENT	DUE DATE
1	\$25,000.00	\$0.00	\$25,000.00	September 11, 2019
1	\$15,842.15	\$0.00	\$15,842.15	September 11, 2020
1	\$15,842.15	\$0.00	\$15,842.15	September 11, 2021
1	\$15,842.15	\$0.00	\$15,842.15	September 11, 2022

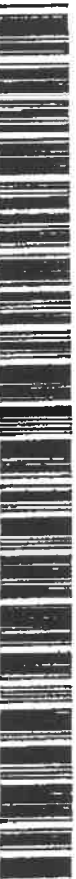
### Amortization Schedule

Payment Number	Date	Lease Payment	Interest	Principal	Principal Balance
1	September 11, 2019	\$25,000.00	\$0.00	\$25,000.00	\$43,303.06
2	September 11, 2020	\$15,842.15	\$2,079.66	\$13,762.49	\$29,540.57

THE TERMS OF THIS CONTRACT ARE CONTAINED ON MORE THAN ONE PAGE

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	Application ID: 12936152	Version Number: 5		

Revision Date: 5 May 2019



Payment Number	Date	Lease Payment	Interest	Principal	Principal Balance
3	September 11, 2021	\$15,842.15	\$1,418.70	\$14,423.45	\$15,117.12 ✓
4	September 11, 2022	\$15,842.15	\$75.01	\$15,116.14	\$0.98

**TERMS AND CONDITIONS**

- Lease Term; Payments.** You agree to lease from us the Equipment described in this Lease Agreement for the Lease Term. The Lease Term will begin on the Lease Term Start Date and end on the Lease Term End Date. All attachments and accessories itemized in this Lease Agreement and all replacements, parts and repairs to the Equipment shall form part of the Equipment. This Lease Agreement is not accepted by us until we sign it, even if you have made a payment to us. You agree to remit the Lease Payments indicated above each Billing Period and all other amounts (including applicable sales, use and property taxes) when due to: DEERE CREDIT, INC., P.O. Box 4450, Carol Stream, IL 60197-4450, even if we do not send you a bill or an invoice. **YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE, UNCONDITIONAL, AND NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER.** For any payment which is not received by its due date, you agree to pay a late charge equal to 0.000% of the past due amount (not to exceed the maximum amount permitted by law) as reasonable collection costs, plus interest from the due date until paid at a rate of 1.5% per month, but in no event more than the maximum lawful rate.
- Non-Appropriation of Funds.** You intend to remit to us all Lease Payments and other payments for the full Lease Term. If funds are legally available. In the event you are not granted an appropriation of funds at any time during the Lease Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to remit Lease Payments and other payments due and to become due under the Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 8 of this Lease Agreement and terminate the Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that: (a) funds have not been appropriated for the fiscal period, (b) such non-appropriation did not result from any act or failure to act by you, and (c) you have exhausted all funds legally available to pay Lease Payments. If you terminate the Lease because of a non-appropriation of funds, you may not, to the extent permitted by applicable law, purchase, lease, or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment. This Section 2 shall not permit you to terminate the Lease Agreement in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.
- Taxes.** Although you may be exempt from the payment of certain taxes, you agree to pay us when invoiced (a) all sales, use, rental, gross receipts and all other taxes which may be imposed on the Equipment or its use, and (b) all taxes and governmental charges associated with the ownership, use or possession of the Equipment including, but not limited to, personal property and ad valorem taxes ("Taxes"). Taxes do not include those measured by our net income. If applicable law requires tax returns or reports to be filed by you, you agree to promptly file such tax returns and reports and deliver copies to us. You agree to keep and make available to us all tax returns and reports for taxes paid by you.
- Ownership; Missing Information.** You shall have title to the Equipment immediately upon delivery and shall be the owner of the Equipment. You (a) grant us and our affiliates a security interest in the Equipment (and all proceeds) to secure all of your obligations under the Lease Agreement and any other obligations, which you may have, to us or any of our affiliates; and (b) authorize us to file financing statements naming you as debtor. You agree to keep the Equipment free and clear of liens and encumbrances, except those in our favor, and promptly notify us if a lien or encumbrance is placed or threatened against the Equipment. You irrevocably authorize us, at any time, to (a) insert or correct information on this Lease Agreement, including your correct legal name, serial numbers and Equipment descriptions; (b) submit notices and proofs of loss for any required insurance; and (c) endorse your name on remittances for insurance and Equipment sale or lease proceeds.
- Equipment Maintenance, Operation and Use.** You agree to (a) not move the Equipment to another county or state without notifying us within 30 days; (b) operate and maintain the Equipment in accordance with all (i) laws, ordinances and regulations, (ii) manuals and other instructions issued by the manufacturer(s) and supplier(s), and (iii) insurance policy terms and requirements; (c) perform (at your own expense) all maintenance and repairs necessary to keep the Equipment in as good a condition as when delivered to you, reasonable wear excepted; (d) not install or use any accessory or device on the Equipment which may damage or otherwise negatively affect the value, manufacturer warranty coverage, useful life or the originally intended function or use of the Equipment in any way, unless it can be removed without damaging the Equipment; (e) remove any non-financed accessory or device which is not otherwise prohibited under subsection (d) above before lease expiration or earlier termination, without damaging the Equipment; (f) allow us and our agent(s) to inspect the Equipment and all of your records related to its use, maintenance and repair, at any reasonable time; (g) keep any metering device installed on the Equipment connected and in good working condition at all times; (h) affix and maintain, in a prominent place on the Equipment, any labels, plates or other markings we may provide to you; and (i) not permit the Equipment to be used by, or to be in the possession of, anyone other than you or your employees.
- Insurance.** You agree, at your cost, to (a) keep the Equipment insured against all risks of physical damage for no less than the Principal Balance (as indicated in the Amortization Schedule attached to and made part of this Lease Agreement), naming Deere Credit, Inc. (and our successors and assigns) as sole loss payee; and (b) maintain public liability insurance, covering personal injury and property damage for not less than \$1,000,000 per occurrence, naming Deere Credit, Inc. (and our successors and assigns) as additional insured. All insurance must be with companies and policies acceptable to us. Your obligation to insure the Equipment continues until you return the Equipment to us and we accept it. Each insurance policy must provide that (a) our interest in the policy will not be invalidated by any act, omission, breach or neglect of anyone other than us; and (b) the insurer will give us at least 30 days prior written notice before any cancellation of, or material change to, the policy.  
Unless you provide us with evidence of the required insurance coverages, we may purchase insurance, at your expense, to protect our interests in the Equipment. This insurance may not (a) protect your interests; or (b) pay any claim that you make or any claim that is made against you in connection with the Equipment. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained the insurance required by this Lease Agreement. The cost of the insurance may be more than the cost of insurance you may be able to obtain on your own.

**THE TERMS OF THIS CONTRACT ARE CONTAINED ON MORE THAN ONE PAGE**

DOC7001

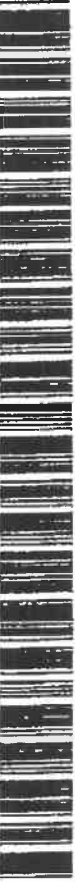
Revision Date: 5 May 2019

Statement Nbr: 12936152  
Application ID: 12936152

Equipment Type: C & CE Commercial  
Version Number: 5

09/05/2019 09:01 AM

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**DONALD R. MORELAND & ASSOCIATES, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Mustang Water Authority  
Nucla, Colorado 81424-0177

The accompanying Application for Exemption from Audit of the Mustang Water Authority as of December 31, 2021 was not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

*Donald R. Moreland + Associates, P.C.*

Montrose, Colorado  
March 24, 2022