

**APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM**

NAME OF GOVERNMENT
ADDRESS

NORTH LA JUNTA SANITATION DISTRICT
208 SEELEY STREET
LA JUNTA, CO 81050

For the Year Ended
12/31/2022
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

CAROLYN MILLS
719-384-7408
csmills40@bresnan.net

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
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: 3/8/2023
RELATIONSHIP TO ENTITY: Perform a compilation engagement & prepare financial statements in the prescribed form required by the State Auditor

PREPARER (SIGNATURE REQUIRED)

Patrick A. 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	Fund*	
Assets							
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ 248,846	\$ -	\$8,748 is Inventory
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ 2,300	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets (specify...)	\$ 8,748	\$ -	
	All Other Assets (specify...)	\$ -	\$ -		\$ -	\$ -	
1-6	Lease Receivable (as Lessor)	\$ -	\$ -		\$ -	\$ -	
1-7		\$ -	\$ -	Total Current Assets	\$ 259,894	\$ -	
1-8		\$ -	\$ -	Capital & Right to Use Assets, net (from Part 4)	\$ 548,699	\$ -	
1-9		\$ -	\$ -	Other Long Term Assets (specify...)	\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 808,593	\$ -	
Deferred Outflows of Resources:							
1-12	(specify...)	\$ -	\$ -	(specify...)	\$ -	\$ -	
1-13	(specify...)	\$ -	\$ -	(specify...)	\$ -	\$ -	
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 808,593	\$ -	
Liabilities							
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ 25,150	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ 4,449	\$ -	
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ 4,240	\$ -	
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) TOTAL CURRENT LIABILITIES	\$ -	\$ -	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 33,839	\$ -	
1-22	All Other Liabilities (specify...)	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4)	\$ 374,590	\$ -	
1-23		\$ -	\$ -	Other Liabilities (specify...):	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 408,429	\$ -	
Deferred Inflows of Resources:							
1-28	Deferred Property Taxes	\$ -	\$ -	Pension/OPEB Related	\$ -	\$ -	
1-29	Lease related (as lessor)	\$ -	\$ -	Other (specify...)	\$ -	\$ -	
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	
Fund Balance							
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted (specify...)	\$ -	\$ -	Emergency Reserves	\$ 35,000	\$ -	
1-34	Committed (specify...)	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned (specify...)	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ 365,164	\$ -	
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ 400,164	\$ -	
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ -	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 808,593	\$ -	

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*	
Tax Revenue				Tax Revenue			
2-1	Property (include mills levied in Question 10-4)	\$ -	\$ -	Property (include mills levied in Question 10-4)	\$ 2,376	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ 468	\$ -	
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 TOTAL TAX REVENUE	\$ -	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 2,844	\$ -	
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	\$ 117,163	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ 1,028	\$ -	
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	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 121,035	\$ -	
Other Financing Sources				Other Financing Sources			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ 374,590	\$ -	
2-26	Lease Proceeds	\$ -	\$ -	Lease Proceeds	\$ -	\$ -	
2-27	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-28	Other (specify...):	\$ -	\$ -	Other (specify...):	\$ -	\$ -	
2-29	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$ 374,590	\$ -	GRAND TOTALS
2-30	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 495,625	\$ -	\$ 495,625

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*	
	Expenditures			Expenses			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ 33,482	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ 40,095	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ 3,067	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ 4,010	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ 3,011	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ 3,526	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ 52,209	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ 6,307	\$ -	
3-11	Other [specify...]	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ 1,940	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ 267,299	\$ -	
	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ 10,225	\$ -	
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	\$ -	\$ -	Add lines 3-1 through 3-21	\$ 425,171	\$ -	
	TOTAL EXPENDITURES	\$ -	\$ -	TOTAL EXPENSES	\$ 425,171	\$ -	\$ 425,171
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/Amortization	\$ 32,702	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ 374,590	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ 267,299	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28)	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ (139,993)	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-30, 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	\$ (69,539)	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ 469,703	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31	\$ -	\$ -	Net Position, December 31	\$ -	\$ -	
	Sum of Lines 3-30, 3-31, and 3-32	\$ -	\$ -	Sum of Lines 3-30, 3-31, and 3-32	\$ -	\$ -	
	This total should be the same as line 1-37.	\$ -	\$ -	This total should be the same as line 1-37.	\$ 400,164	\$ -	

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		
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: <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	<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	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ 125,000	\$ 374,590	\$ 125,000	\$ 374,590
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 125,000	\$ 374,590	\$ 125,000	\$ 374,590

*must agree to prior year ending balance

Please use this space to provide any explanations or comments:

	YES	NO
4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? How much? \$ 4,526,600	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes: Date the debt was authorized: 5/19/2022		
4-6 Does the entity intend to issue debt within the next calendar year? How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	\$ 96,201		Please use this space to provide any explanations or comments:
5-2 Certificates of deposit	\$ 152,645		
TOTAL CASH DEPOSITS		\$ 248,846	
Investments (If investment is a mutual fund, please list underlying investments):			
5-3	\$ -		
	\$ -		
	\$ -		
	\$ -		
TOTAL INVESTMENTS		\$ -	
TOTAL CASH AND INVESTMENTS		\$ 248,846	

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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: <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART 6 - CAPITAL AND RIGHT-TO-USE 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 & Right-To-Use 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)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	\$ 157,279	\$ 125,000	\$ -	\$ 282,279
Buildings	\$ 5,195	\$ -	\$ -	\$ 5,195
Machinery and equipment	\$ 55,923	\$ -	\$ -	\$ 55,923
Furniture and fixtures	\$ 1,720	\$ -	\$ -	\$ 1,720
Infrastructure	\$ 1,214,813	\$ -	\$ -	\$ 1,214,813
Construction In Progress (CIP)	\$ 112,295	\$ 142,299	\$ -	\$ 254,594
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ (1,233,123)	\$ (32,702)	\$ -	\$ (1,265,825)
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 314,102	\$ 234,597	\$ -	\$ 548,699

* Must agree to prior year-end balance
 - Generally capital asset additions should be reported as 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.):	\$ -
TOTAL	\$ -

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:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-103 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 FUND		\$				4,726,096
		\$				-
		\$				-
		\$				-

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))? <small>Note: An election to exempt the government from the operation of TABOR does not exempt the government from the 2 percent emergency reserve requirement. All governments should reevaluate if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: Date of formation: <input style="width:150px" 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:380px" type="text"/>				
PRIOR name <input style="width:380px" 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:440px" type="text"/>			
10-5	Does the entity have an agreement with another government to provide services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: List the name of the other governmental entity and the services provided: <input style="width:440px" type="text"/>				
10-6	Does the entity have a certified mill levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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	
		Total mills	1.781	

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 Signatures 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.
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>3/17/23</u> My term Expires: <u>2025</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>3-16-2023</u> My term Expires: <u>2025</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>3/15/2023</u> My term Expires: <u>2027</u>
4	RICK WARD	I, <u>Rick Ward</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>Rick Ward</u> Date: <u>3/17/2023</u> My term Expires: <u>2027</u>
5	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: _____
6	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: _____
7	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: _____

May 6, 2022

North La Junta Sanitation District
208 Seeley Street
La Junta, Colorado 81050

Re: North La Junta Sanitation District, In Otero County, Colorado, Construction Loan Note, Series 2022
(the "Construction Loan")

Ladies and Gentlemen:

Western Alliance Business Trust is pleased to provide the following commitment letter for the Construction Loan which has received credit approval, pending final due diligence, receipt of a concurrence letter from the USDA, document review and normal "out provisions".

Borrower: North La Junta Sanitation District, Otero County, Colorado, acting by and through its Sewer Enterprise (the "Borrower" and the "District")

Permanent Lender: United States Department of Agriculture ("USDA")

DOLA: State of Colorado Department of Local Affairs ("DOLA")

Permanent Loan: USDA Direct Loan – Not to exceed \$2,402,000 ("USDA Direct Loan")

Grants: USDA RUS Grant – Not to exceed \$2,124,600 ("USDA RUS Grant")
DOLA Grant – Not to exceed \$500,000 ("DOLA Grant")

Commitment Amount: Up to \$4,526,600

Lender: Western Alliance Business Trust, a Delaware statutory trust (the "Construction Lender").

Project: Construction of an evaporative pond system and an additional lift station at the District's wastewater treatment plant (the "Project").

Purpose: Proceeds from the Construction Loan will be used for interim financing in order to fund the following:

- 1) finance the Project;
- 2) fund capitalized interest through the maturity of the Construction Loan; and
- 3) pay for costs of issuance associated with the Construction Loan.

Agreement: "Agreement" means the Construction Loan Agreement, dated as of May 19, 2022, by and between the District and the Construction Lender.

Interest Payments: Semi-annual interest payments paid on April 1 and October 1, commencing October 1, 2022. Interest on the Construction Loan is to be computed on the basis of a year comprised of 360 days, consisting of twelve (12) months with thirty (30) days.

Principal Payments:	Principal due and payable on April 1, 2024.
Final Maturity:	April 1, 2024
Interest Rate Pricing:	The Construction Loan will be financed at par and at a fixed rate of interest based on the following formula: 79% of the sum of the 2-Year USD Semi-Annual Interest Rate Swap Rate plus 2.75% (tax-exempt fixed rate). The interest rate is 4.54%. The interest rate will be held through Friday, May 20, 2022. See Exhibit A – Interest Rate Lock herein
Reserve Requirement:	Not required for the Construction Loan.
Prepayment Provisions:	The Construction Loan may be prepaid from proceeds of the USDA Direct Loan, the USDA RUS Grant and the DOLA Grant, at the option of the Borrower, in whole, or in part, on any date on or after April 1, 2023 at par plus accrued interest to the date of prepayment, without premium.
Security:	The Construction Loan is an obligation of the Borrower payable from proceeds of the USDA Permanent Financing and the Collateral.
Bancontrol Accounts:	In connection with the financing of the Construction Loan, there shall be established with Western Alliance Bank the following Bancontrol Accounts: <ol style="list-style-type: none">1) Construction Fund;2) Capitalized Interest Fund; and3) Costs of Issuance Fund.
Loan Advances:	Up to and including March 31, 2024, the Borrower may request disbursements from the Construction Loan on the last business day of the month pursuant to a projected draw schedule delivered at closing. Advances, including all applicable documentation and backup, must be provided to the Lender within 10 days prior to the disbursement. Advances will be made to the Borrower upon review and approval of Project costs by the USDA and delivery to the Lender of all applicable lien waivers associated with the Project. Advances will be deposited and requested from the Construction Fund. Each request shall be delivered to the Lender days prior to the last business day of the month. In the event of a federal shut down or other event causing a delay in USDA operations that prevents the USDA's timely approval of any draw request that is otherwise approved by the Lender, the Lender shall proceed with the deposit of such funds into the Construction Fund and Capitalized Interest Fund, with the general understanding that USDA has agreed to provide its approval of such draw request after operations recommence and to reimburse the Lender for any additional costs directly attributable to such delay.

Legal Opinion(s):	<p>Opinions of Bond Counsel, among other things, as to:</p> <ol style="list-style-type: none">1) treatment of interest payments under the Loan as tax-exempt obligations under the IRS Code and exempt from income taxation under the laws of the State of Colorado;2) validity and enforceability of the Construction Loan and Net Revenues being pledged are duly and validly authorized pursuant to the law;3) the Loan being exempt from registration pursuant to the Securities Act of 1933, as amended; and4) such other opinions as the Lender may require. <p>Opinions of general counsel to the District shall also be provided in form and substance satisfactory to the Lender.</p>
Covenants:	<p>Pari Passu with the covenants contemplated in the USDA letter of conditions</p> <p>Additional Parity Debt: The Borrower shall not issue any Additional Parity Debt, regardless of lien priority or source of payment, without first obtaining the written consent of the USDA and the Construction Lender.</p> <p>Covenants to be tested annually at fiscal year-end.</p>
Covenant to Obtain Take-Out Financing:	<p>The Borrower will covenant to take all actions required to obtain financing from the USDA, DOLA and/or any other financing source to provide funds to refund all or a portion of the Construction Loan prior to maturity and apply all such funds upon receipt to prepay the Construction Loan.</p>
Documentation:	<p>Bond Counsel will prepare all of the legal documentation, which will contain customary affirmative and negative covenants as well as usual representations and warranties for like situated borrowers acceptable to the Lender. Events of Default shall include those that are deemed standard and customary for transactions of this nature all of which shall be subject to satisfactory review by the Lender.</p>

Conditions Precedent:	<p>Prior to the funding of the Construction loan, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Lender and the Lender’s Counsel:</p> <ol style="list-style-type: none">1) satisfactory review by the Lender’s Counsel of any outstanding agreements entered into by the Borrower which may impact the security for the Construction Loan or the obligations of the Borrower with respect to repayment of the Construction Loan;2) any authorizing resolution of the Borrower as required for the execution, delivery and repayment of the Construction Loan;3) opinions as required by the Lender and the Lender’s Counsel;4) properly executed loan documents in form and substance satisfactory to the Lender and the Lender’s counsel evidencing or supporting the repayment of the Construction Loan;5) all other conditions as contemplated under the USDA Letter of Conditions;6) a projected draw schedule delivered prior to closing; and7) additional conditions precedent that the Lender and the Lender’s Counsel consider customary and reasonably appropriate for the funding of the Construction Loan.
Loan Treatment:	<p>The Lender will book the Construction Loan as a loan, and, therefore, the USDA Construction Loan will be financed by the Lender under the following conditions:</p> <ol style="list-style-type: none">1) the USDA Construction Loan shall not be registered or otherwise qualified for sale under the “Blue Sky” laws;2) the Lender will satisfy the requirements of Municipal Securities Rulemaking Board Rule G-34(a)(i)(F), such that no CUSIP numbers will be obtained for the USDA Construction Loan (See “Assignment and Participation” herein);3) no official statement or similar offering document has been prepared in connection with the private placement of the USDA Construction Loan;4) the USDA Construction Loan will not settle through the DTC or any similar repository and will not be in book entry form; and5) the Lender will sign a letter of representations in a form acceptable to Lender’s Counsel and Bond Counsel.
Origination Fee:	<p>25 basis points of the original principal amount of the Construction Loan. No termination or other ongoing fees.</p>
Expenses:	<p>All other out of pocket costs, including legal fees of the Lender’s Counsel. The Lender’s Counsel fee shall not exceed \$10,000.</p>
Bond Counsel:	<p>Kutak Rock LLP / Denver, Colorado</p>
Lender’s Counsel:	<p>Stradling Yocca Carlson & Rauth, a Professional Corporation / Denver, Colorado</p>
Pre-Closing Date:	<p>Tuesday, May 17, 2022</p>
Closing Date:	<p>Thursday, May 19, 2022</p>

No Fiduciary Relationship: Inasmuch as the Loan represents a negotiated transaction, the District understand, and will confirm that the Lender is not acting as a fiduciary to the District, but rather is acting solely in its capacity as a Lender, for its own account.

The District will acknowledge and agree that:

- 1) the transaction contemplated herein is an arm's length commercial transaction between the District and the Lender and its affiliates;
- 2) in connection with such transaction, the Lender and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules");
- 3) the Lender and its affiliates are relying on the bank exemption in the Municipal Advisor Rules;
- 4) the Lender and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto;
- 5) the Lender and its affiliates have financial and other interests that differ from those of the District; and
- 6) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Reporting Requirements:

Annual Reporting Requirements:

The Borrower shall provide the Lender with the following documentation and information within nine (9) months of the Borrower's fiscal year end Audited financial statements of the Borrower for the preceding fiscal year.

The Borrower shall provide the Lender with its annual approved operating budget within one (1) month after its adoption.

Quarterly Reporting Requirements:

The Borrower shall provide the Lender with interim financials on a quarterly basis. Interim financial shall be available with forty-five (45) days after quarter end.

Monthly Reporting Requirements:

The Borrower will provide the Lender with monthly construction progress reports.

Other:

The Borrower shall furnish at the Lender's request such additional information that Lender may from time to time reasonably request.

Defined Terms:

All capitalized terms used herein and not defined shall have the meanings given them in the Agreement.

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, 2022, 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 4 through 10 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

March 8, 2023