APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Capulin Water and Sanitation District	For the Year Ended 12/31/22 or fiscal year ended:
ADDRESS	P.O. Box 154	
	Capulin, CO 81124	
CONTACT PERSON	Trina Rivera	
PHONE	719-274-4299	
EMAIL		

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:	See Independent Accountants' Compilation Report
TITLE	
FIRM NAME (if applicable)	
ADDRESS	
PHONE	
DATE PREPARED	

PREPARER (SIGNATURE REQUIRED)

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
	☐	☑

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description		Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes:	Property (report mills levied in Question 10-6)	$ -	
2-2		Specific ownership	$ -	
2-3		Sales and use	$ -	
2-4		Other (specify):	$ -	
2-5	Licenses and permits		$ -	
2-6	Intergovernmental:	Grants	$ 15,825	
2-7		Conservation Trust Funds (Lottery)	$ -	
2-8		Highway Users Tax Funds (HUTF)	$ -	
2-9		Other (specify):	$ -	
2-10	Charges for services		$ 37,786	
2-11	Fines and forfeits		$ -	
2-12	Special assessments		$ -	
2-13	Investment income		$ 21	
2-14	Charges for utility services		$ -	
2-15	Debt proceeds	(should agree with line 4-4, column 2)	$ -	
2-16	Lease proceeds		$ -	
2-17	Developer Advances received	(should agree with line 4-4)	$ -	
2-18	Proceeds from sale of capital assets		$ -	
2-19	Fire and police pension		$ -	
2-20	Donations		$ -	
2-21	Other (specify):		$ -	
2-22			$ -	
2-23			$ -	
2-24	(add lines 2-1 through 2-23)	TOTAL REVENUE	$ 53,632	

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		$ 857	
3-2	Salaries		$ 13,866	
3-3	Payroll taxes		$ -	
3-4	Contract services		$ 6,389	
3-5	Employee benefits		$ -	
3-6	Insurance		$ 1,415	
3-7	Accounting and legal fees		$ -	
3-8	Repair and maintenance		$ 188	
3-9	Supplies		$ 2,090	
3-10	Utilities and telephone		$ 10,628	
3-11	Fire/Police		$ -	
3-12	Streets and highways		$ -	
3-13	Public health		$ -	
3-14	Capital outlay		$ -	
3-15	Utility operations		$ -	
3-16	Culture and recreation		$ -	
3-17	Debt service principal	(should agree with Part 4)	$ -	
3-18	Debt service interest		$ -	
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 (Water Testing):		$ 3,858	
3-24	Miscellaneous		$ 1,026	
3-25	Depreciation Expense		$ 2,764	
3-26	(add lines 3-1 through 3-24)	TOTAL EXPENDITURES/EXPENSES	$ 43,081	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than $100,000 - STOP. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

	Please answer the following questions by marking the appropriate boxes.	Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	☐	☑
4-2	Is the debt repayment schedule attached? If no, MUST explain:	☐	☑
	Not applicable		
4-3	Is the entity current in its debt service payments? If no, MUST explain:	☐	☑
	Not applicable		

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	$ -	$ -	$ -	$ -
Lease Liabilities	$ -	$ -	$ -	$ -
Developer Advances	$ -	$ -	$ -	$ -
Other (specify):	$ -	$ -	$ -	$ -
TOTAL	$ -	$ -	$ -	$ -

*must tie to prior year ending balance

	Please answer the following questions by marking the appropriate boxes.		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?		☐	☑
If yes:	How much?	$ -		
	Date the debt was authorized:			
4-6	Does the entity intend to issue debt within the next calendar year?		☐	☑
If yes:	How much?	$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?		☐	☑
If yes:	What is the amount outstanding?	$ -		
4-8	Does the entity have any lease agreements?		☐	☑
If yes:	What is being leased?			
	What is the original date of the lease?			
	Number of years of lease?			
	Is the lease subject to annual appropriation?		☐	☑
	What are the annual lease payments?	$ -		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

	Please provide the entity's cash deposit and investment balances.	Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	$ 18,842	
5-2	Certificates of deposit	$ -	
	Total Cash Deposits		$ 18,842
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3		$ -	
		$ -	
		$ -	
		$ -	
	Total Investments		$ -
	Total Cash and Investments		$ 18,842

	Please answer the following questions by marking in the appropriate boxes	Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☐	☐	☑
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	☑	☐	☐

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

	Please answer the following questions by marking in the appropriate boxes.	Yes	No
6-1	Does the entity have capital assets?	☑	☐
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:	☐	☑

The district did not perform an annual inventory in 2022, this may be a violation of state statute.

6-3

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	$ 1,000	$ -	$ -	$ 1,000
Buildings	$ 12,000	$ -	$ -	$ 12,000
Machinery and equipment	$ 96,320	$ -	$ -	$ 96,320
Furniture and fixtures	$ -	$ -	$ -	$ -
Infrastructure	$ -	$ -	$ -	$ -
Construction In Progress (CIP)	$ -	$ -	$ -	$ -
Leased Right-to-Use Assets	$ -	$ -	$ -	$ -
Other (explain):	$ -	$ -	$ -	$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	$ (86,927)	$ (2,764)	$ -	$ (89,691)
TOTAL	$ 22,393	$ (2,764)	$ -	$ 19,629

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" firefighters' pension plan?	☐	☑
7-2	Does the entity have a volunteer firefighters' pension plan?	☐	☑

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	$ -
State contribution amount:	$ -
Other (gifts, donations, etc.):	$ -
TOTAL	$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	$ -

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.?	☐	☑	☐

No approved budget was noted, this may be a violation of state statute.

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

No approved budget was noted, this may be a violation of state statute.

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund

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 the	☐	☑
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?	☐	☐

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.	A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name Glenn Martinez	I Glen Martinez, 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 Glen Martinez Date: 03/31/2023 My term Expires: 08/31/2023
Board Member 2	Print Board Member's Name Lawrence Martinez	I Lawrence Martinez, 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 Lawrence Martinez Date: 03/31/2023 My term Expires: 08/31/2023
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you MUST draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1)WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded $100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

OR

(2)WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded $750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

EXAMPLE - DO NOT FILL OUT THIS PAGE

_____
Mayor/President/Chairman, etc.

ATTEST:

_____
Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

citrix | RightSignature

SIGNATURE CERTIFICATE

REFERENCE NUMBER
1114CF59-90D1-4C93-87C5-BF5BA01F62C4

TRANSACTION DETAILS	DOCUMENT DETAILS
Reference Number 1114CF59-90D1-4C93-87C5-BF5BA01F62C4	**Document Name** Capulin Water Sanitation District 2022 Exemption
Transaction Type Signature Request	**Filename** capulin_water_sanitation_district-2022_exemption_1_.pdf
Sent At 03/30/2023 15:49 EDT	**Pages** 13 pages
Executed At 03/31/2023 10:22 EDT	**Content Type** application/pdf
Identity Method email	**File Size** 415 KB
Distribution Method email	**Original Checksum** 19754b09271bc4faa621a08ada083c0d6c7f0166e0fa70cfab3b55d015852bdd
Signed Checksum 96fc3380d4b5258637c51aa4e6f87ccd2c9e52c50c2ba5ae333f92d0e17091b1	
Signer Sequencing Disabled	
Document Passcode Disabled	

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name Lawrence Martinez **Email** capulinwater@outlook.com **Components** 4	**Status** signed **Multi-factor Digital Fingerprint Checksum** 91de31833d87686f67aa2f8ed5184b1c91183c936d781ff30de5c67db4379f47 **IP Address** 199.47.67.47 **Device** Chrome Mobile via Android **Typed Signature**  **Signature Reference ID** 32D74B28	**Viewed At** 03/31/2023 10:19 EDT **Identity Authenticated At** 03/31/2023 10:22 EDT **Signed At** 03/31/2023 10:22 EDT
Name Glenn Martinez **Email** audramorris1974@gmail.com **Components** 4	**Status** signed **Multi-factor Digital Fingerprint Checksum** 0e0a5d9e5ab42574aef2cea225256162b4100c4c97d4f489b55d15d4b70c06e7 **IP Address** 199.47.67.47 **Device** Samsung Browser via Android **Typed Signature**  **Signature Reference ID** 99787991	**Viewed At** 03/31/2023 08:09 EDT **Identity Authenticated At** 03/31/2023 08:13 EDT **Signed At** 03/31/2023 08:13 EDT

AUDITS

TIMESTAMP	AUDIT
03/30/2023 15:49 EDT	WSBCPA ShareFile (sharefile@wsbcpa.com) created document 'capulin_water_sanitation_district-

	2022_exemption_1_.pdf' on Chrome via Windows from 216.245.78.188.
03/30/2023 15:49 EDT	Glenn Martinez (audramorris1974@gmail.com) was emailed a link to sign.
03/30/2023 15:49 EDT	Lawrence Martinez (capulinwater@outlook.com) was emailed a link to sign.
03/30/2023 17:50 EDT	Glenn Martinez (audramorris1974@gmail.com) viewed the document on Samsung Browser via Android from 199.47.67.47.
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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Wall,
Smith,
Bateman Inc.

To the Board of Directors
Capulin Water and Sanitation District
Capulin, Colorado

Management is responsible for the accompanying financial statements of Capulin Water and Sanitation District (the District), as of December 31, 2022 and 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 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.

This report is intended solely for the information and use of Capulin Water and Sanitation District and Colorado Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

February 17, 2023