

**APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM**

1756.02

NAME OF GOVERNMENT
ADDRESS

CONTACT PERSON
PHONE
EMAIL
FAX

| |
|--|
| DELTA COUNTY FIRE PROTECTION DISTRICT #2 |
| PO BOX 1023 |
| PAONIA, CO 81428 |
| |
| DAVE HURR |
| 970-399-7600 |
| |
| |
| |

For the Year Ended
12/31/2017
or fiscal year ended:

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
(Must be Completed prior to Board approval)

RELATIONSHIP TO ENTITY

| |
|---|
| JEFFREY HENION |
| PA, EA |
| HENION TAX & ACCT. SERVICES |
| PO BOX 938, PAONIA, CO 81428 |
| 970-527-2350 |
| 2/18/2017 |
| |
| NONE OTHER THAN PREPARATION OF EXEMPTION FROM AUDIT |

PREPARER (SIGNATURE REQUIRED)

Jeffrey Henion PA, EA

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"/> | |

P

RECEIVED
Office of the State Auditor
March 6, 2018

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 |
|---------------------|---|--------------------|-------|---|-----------------------------|-------|--|
| | | GENERAL Fund* | Fund* | | PENSION Fund* | Fund* | |
| Assets | | | | Assets | | | |
| 1-1 | Cash & Cash Equivalents | \$ 289,077 | \$ - | Cash & Cash Equivalents | \$ 906,858 | \$ - | |
| 1-2 | Investments | \$ - | \$ - | Investments | \$ 215,927 | \$ - | |
| 1-3 | Receivables | \$ - | \$ - | Receivables | \$ - | \$ - | |
| 1-4 | Due from Other Entities or Funds | \$ - | \$ - | Due from Other Entities or Funds | \$ - | \$ - | |
| | All Other Assets (specify) | | | Other Current Assets | \$ - | \$ - | |
| 1-5 | | \$ - | \$ - | | | | |
| 1-6 | | \$ - | \$ - | Total Current Assets | \$ 1,122,785 | \$ - | |
| 1-7 | | \$ - | \$ - | Capital Assets, net (from Part 6-4) | \$ - | \$ - | |
| 1-8 | | \$ - | \$ - | Other Long Term Assets (specify) | \$ - | \$ - | |
| 1-9 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-10 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-11 | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ 289,077 | \$ - | (add lines 1-1 through 1-10) TOTAL ASSETS | \$ 1,122,785 | \$ - | |
| 1-12 | TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ - | \$ - | TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ - | \$ - | |
| 1-13 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 289,077 | \$ - | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 1,122,785 | \$ - | |
| Liabilities | | | | Liabilities | | | |
| 1-14 | Accounts Payable | \$ - | \$ - | Accounts Payable | \$ - | \$ - | |
| 1-15 | Accrued Payroll and Related Liabilities | \$ - | \$ - | Accrued Payroll and Related Liabilities | \$ - | \$ - | |
| 1-16 | Accrued Interest Payable | \$ - | \$ - | Accrued Interest Payable | \$ - | \$ - | |
| 1-17 | Due to Other Entities or Funds | \$ - | \$ - | Due to Other Entities or Funds | \$ - | \$ - | |
| 1-18 | All Other Current Liabilities | \$ - | \$ - | All Other Current Liabilities | \$ - | \$ - | |
| 1-19 | TOTAL CURRENT LIABILITIES | \$ - | \$ - | TOTAL CURRENT LIABILITIES | \$ - | \$ - | |
| 1-20 | All Other Liabilities (specify) | \$ - | \$ - | Proprietary Debt Outstanding (from Part 4-4) | \$ - | \$ - | |
| 1-21 | | \$ - | \$ - | Other Liabilities (specify) | \$ - | \$ - | |
| 1-22 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-23 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-24 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-25 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-26 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-27 | | \$ - | \$ - | | \$ - | \$ - | |
| 1-28 | (add lines 1-19 through 1-27) TOTAL LIABILITIES | \$ - | \$ - | (add lines 1-19 through 1-27) TOTAL LIABILITIES | \$ - | \$ - | |
| 1-29 | TOTAL DEFERRED INFLOWS OF RESOURCES | \$ - | \$ - | TOTAL DEFERRED INFLOWS OF RESOURCES | \$ - | \$ - | |
| Fund Balance | | | | Net Position | | | |
| 1-30 | Nonspendable Prepaid | \$ - | \$ - | Net Investment in Capital Assets | \$ - | \$ - | |
| 1-31 | Nonspendable Inventory | \$ - | \$ - | | | | |
| 1-32 | Restricted (specify):Emergency Reserves | \$ 13,000 | \$ - | Emergency Reserves | \$ - | \$ - | |
| 1-33 | Committed: (specify) | \$ - | \$ - | Other Designations/Reserves | \$ - | \$ - | |
| 1-34 | Assigned (specify) | \$ - | \$ - | Restricted | \$ 1,122,785 | \$ - | |
| 1-35 | Unassigned: | \$ 276,077 | \$ - | Undesignated/Unreserved/Unrestricted | \$ - | \$ - | |
| 1-36 | Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE | \$ 289,077 | \$ - | Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION | \$ 1,122,785 | \$ - | |
| 1-37 | Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE | \$ 289,077 | \$ - | Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$ 1,122,785 | \$ - | |

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* | | Fund* | Fund* | |
| Tax Revenue | | | | Tax Revenue | | | |
| 2-1 | Property | \$ 142,073 | \$ - | Property | \$ - | \$ - | |
| 2-2 | Specific Ownership | \$ 24,619 | \$ - | 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 TOTAL TAX REVENUE | \$ 166,692 | \$ - | Add lines 2-1 through 2-7 TOTAL TAX REVENUE | \$ - | \$ - | |
| 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 | \$ 20,390 | \$ - | |
| 2-14 | Grants | \$ - | \$ - | Grants | \$ - | \$ - | |
| 2-15 | Donations | \$ - | \$ - | Donations | \$ - | \$ - | |
| 2-16 | Charges for Sales and Services | \$ 90,000 | \$ - | Charges for Sales and Services | \$ - | \$ - | |
| 2-17 | Rental Income | \$ - | \$ - | Rental Income | \$ - | \$ - | |
| 2-18 | Fines and Forfeits | \$ - | \$ - | Fines and Forfeits | \$ - | \$ - | |
| 2-19 | Interest/Investment Income | \$ 600 | \$ - | Interest/Investment Income | \$ 19,594 | \$ - | |
| 2-20 | Tap Fees | \$ - | \$ - | Tap Fees | \$ - | \$ - | |
| 2-21 | Developer Advances | \$ - | \$ - | Developer Advances | \$ - | \$ - | |
| 2-22 | All Other (specify): Misc | \$ 1,946 | \$ - | All Other (specify): | \$ - | \$ - | |
| 2-23 | | \$ - | \$ - | Fire Dist #2 Pension Cont. | \$ 129,610 | \$ - | |
| 2-24 | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ 259,238 | \$ - | Add lines 2-8 through 2-23 TOTAL REVENUES | \$ 169,594 | \$ - | |
| Other Financing Sources | | | | Other Financing Sources | | | |
| 2-25 | Debt Proceeds | \$ - | \$ - | Debt Proceeds | \$ - | \$ - | |
| 2-26 | Proceeds from Sale of Capital Assets | \$ - | \$ - | Proceeds from Sale of Capital Assets | \$ - | \$ - | |
| 2-27 | Other (specify): | \$ - | \$ - | Other (specify): | \$ - | \$ - | |
| 2-28 | Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES | \$ - | \$ - | Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES | \$ - | \$ - | GRAND TOTALS |
| 2-29 | Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 259,238 | \$ - | Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 169,594 | \$ - | \$ 428,832 |

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

| Line # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | | Please use this space to provide explanation of any items on this page |
|--------|--|--------------------|-------|--|-----------------------------|-------|--|
| | | Fund* | Fund* | | Fund* | Fund* | |
| | Expenditures | | | Expenditures | | | |
| 3-1 | General Government | \$ - | \$ - | General Operating & Administrative | \$ - | \$ - | |
| 3-2 | Judicial | \$ - | \$ - | Salaries | \$ - | \$ - | |
| 3-3 | Law Enforcement | \$ - | \$ - | Payroll Taxes | \$ - | \$ - | |
| 3-4 | Fire | \$ 89,433 | \$ - | Contract Services | \$ - | \$ - | |
| 3-5 | Highways & Streets | \$ - | \$ - | Employee Benefits | \$ 30,490 | \$ - | |
| 3-6 | Solid Waste | \$ - | \$ - | Insurance | \$ - | \$ - | |
| 3-7 | Contributions to Fire & Police Pension Assoc. | \$ 129,610 | \$ - | Accounting and Legal Fees | \$ - | \$ - | |
| 3-8 | Health | \$ - | \$ - | Repair and Maintenance | \$ - | \$ - | |
| 3-9 | Culture and Recreation | \$ - | \$ - | Supplies | \$ - | \$ - | |
| 3-10 | Other (specify): | \$ - | \$ - | Utilities | \$ - | \$ - | |
| 3-11 | | \$ - | \$ - | Contributions to Fire & Police Pension Assoc. | \$ - | \$ - | |
| 3-12 | | \$ - | \$ - | Other (specify): | \$ - | \$ - | |
| 3-13 | | \$ - | \$ - | | \$ - | \$ - | |
| 3-14 | Capital Outlay | \$ 26,805 | \$ - | Capital Outlay | \$ - | \$ - | |
| | Debt Service | | | Debt Service | | | |
| 3-15 | Principal | \$ - | \$ - | Principal | \$ - | \$ - | |
| 3-16 | Interest | \$ - | \$ - | Interest | \$ - | \$ - | |
| 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 TOTAL EXPENDITURES | \$ 245,848 | \$ - | Add lines 3-1 through 3-21 TOTAL EXPENDITURES | \$ 30,490 | \$ - | GRAND TOTAL \$ 276,338 |
| 3-23 | Interfund Transfers (In) | \$ - | \$ - | Net Interfund Transfers (In) | \$ - | \$ - | |
| 3-24 | Interfund Transfers Out | \$ - | \$ - | Net Interfund Transfers Out | \$ - | \$ - | |
| 3-25 | Other Expenditures (Revenues): | \$ - | \$ - | Depreciation | \$ - | \$ - | |
| 3-26 | | \$ - | \$ - | Other Financing Sources (Uses) (from line 2-28) | \$ - | \$ - | |
| 3-27 | | \$ - | \$ - | Capital Outlay (from line 3-14) | \$ - | \$ - | |
| 3-28 | | \$ - | \$ - | Debt Principal (from line 3-15) | \$ - | \$ - | |
| 3-29 | (Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES | \$ - | \$ - | (Line 3-26, plus line 3-27, less line 3-24, less line 3-25) TOTAL GAAP RECONCILING ITEMS | \$ - | \$ - | |
| 3-30 | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29 | \$ 13,390 | \$ - | Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24 | \$ 139,104 | \$ - | |
| 3-31 | Fund Balance, January 1 from December 31 prior year report | \$ 275,687 | \$ - | Net Position, January 1 from December 31 prior year report | \$ 983,681 | \$ - | |
| 3-32 | Prior Period Adjustment (MUST explain) | \$ - | \$ - | Prior Period Adjustment (MUST explain) | \$ - | \$ - | |
| 3-33 | Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 This total should be the same as line 1-36. | \$ 289,077 | \$ - | Net Position, December 31 Line 3-30 plus line 3-31 This total should be the same as line 1-36. | \$ 1,122,785 | \$ - | |

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? YES NO

4-2 Is the debt repayment schedule attached? If no, MUST explain: *N/A* YES NO

4-3 Is the entity current in its debt service payments? If no, MUST explain: *N/A* YES NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts) YES NO

N/A

| | Outstanding at beginning of year* | Issued during year | Retired during year | Outstanding at year-end |
|--------------------------|-----------------------------------|--------------------|---------------------|-------------------------|
| General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Revenue bonds | \$ - | \$ - | \$ - | \$ - |
| Notes/Loans | \$ - | \$ - | \$ - | \$ - |
| Leases | \$ - | \$ - | \$ - | \$ - |
| Developer Advances | \$ - | \$ - | \$ - | \$ - |
| Other (specify): | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

*must agree 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? YES NO

If yes: How much? \$ -

If yes: Date the debt was authorized: _____

4-6 Does the entity intend to issue debt within the next calendar year? YES NO

If yes: How much? \$ -

4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO

If yes: What is the amount outstanding? \$ -

4-8 Does the entity have any lease agreements? YES NO

If yes: What is being leased? _____

If yes: What is the original date of the lease? _____

If yes: Number of years of lease? _____

If yes: Is the lease subject to annual appropriation? YES NO

If yes: What are the annual lease payments? \$ -

4-9 Does the entity have a certified mill levy? YES NO

If yes: Please provide the following mills levied for the year reported (do not enter \$ amounts):

| | | |
|-----------------|-------------|--|
| Bond Redemption | 0.00 | |
| General/Other | 3.50 | |
| TOTAL | 3.50 | |

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

| | | |
|--|--------------|---------------------|
| 5-1 YEAR-END Total of ALL Checking and Savings accounts | \$ 228,316 | |
| 5-2 Certificates of deposit | \$ 60,761 | |
| TOTAL CASH DEPOSITS | | \$ 289,077 |
| Investments (if investment is a mutual fund, please list underlying investments): | | |
| 5-3 SEE ATTACHED SCHEDULE | \$ 1,122,785 | |
| | \$ - | |
| | \$ - | |
| | \$ - | |
| TOTAL INVESTMENTS | | \$ 1,122,785 |
| TOTAL CASH AND INVESTMENTS | | \$ 1,411,862 |

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.? YES NO N/A

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO N/A

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, MUST explain: YES NO

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

| | Balance - beginning of the year* | Additions | Deletions | Year-End Balance |
|---|----------------------------------|--------------------|-------------|-------------------|
| Land | \$ 20,781 | \$ - | \$ - | \$ 20,781 |
| Buildings | \$ 431,876 | \$ - | \$ - | \$ 431,876 |
| Machinery and equipment | \$ 1,312,151 | \$ 26,805 | \$ - | \$ 1,338,956 |
| Furniture and fixtures | \$ - | \$ - | \$ - | \$ - |
| Infrastructure | \$ - | \$ - | \$ - | \$ - |
| Construction In Progress (CIP) | \$ - | \$ - | \$ - | \$ - |
| Other (explain): | \$ - | \$ - | \$ - | \$ - |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ (1,156,452) | \$ (71,040) | \$ - | \$ (1,227,492) |
| TOTAL | \$ 608,356 | \$ (44,235) | \$ - | \$ 564,121 |

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

| | Balance - beginning of the year* | Additions | 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) | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ - | \$ - | \$ - | \$ - |

*must agree to prior year ending balance

PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box

YES

NO

Please use this space to provide any explanations or comments:

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

Indicate the contributions from:

Tax (property, SO, sales, etc.):

129,160

State contribution amount:

20,390

Other (gifts, donations, etc.):

TOTAL 150,000

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

150

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? N/A

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 body 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 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 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:

- 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.

**Original Signatures
Verified by**

Justin L. Smith



Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing body 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 current governing board members below.

A MAJORITY of the governing board members must complete and sign in the column below.

| Board Member | Print Board Member's 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 | RON ROWELL | Signed <u>[Signature]</u> Date: <u>2-26-18</u> My term Expires: <u>5-20</u> |
| 2 | RICHARD KINSER | Signed <u>[Signature]</u> Date: <u>2-26-18</u> My term Expires: <u>5-20</u> |
| 3 | JOHN BLAIR | Signed <u>[Signature]</u> Date: <u>2/26/18</u> My term Expires: <u>5/18</u> |
| 4 | STAN PARK | Signed <u>[Signature]</u> Date: <u>2/26/18</u> My term Expires: <u>5/18</u> |
| 5 | CALVIN CAMPBELL | Signed <u>[Signature]</u> Date: <u>2/26/18</u> My term Expires: <u>5/18</u> |
| 6 | Print Board Member's 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 | Print Board Member's 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: _____ |

Supplemental Information for Exemption from Audit
For the year ended December 31, 2017

Entity: Delta County Fire Protection District # 2

Part 5 – Cash & Investments

Question 5-3 – Investment schedule

See following Edward Jones statement dated December 31, 2017



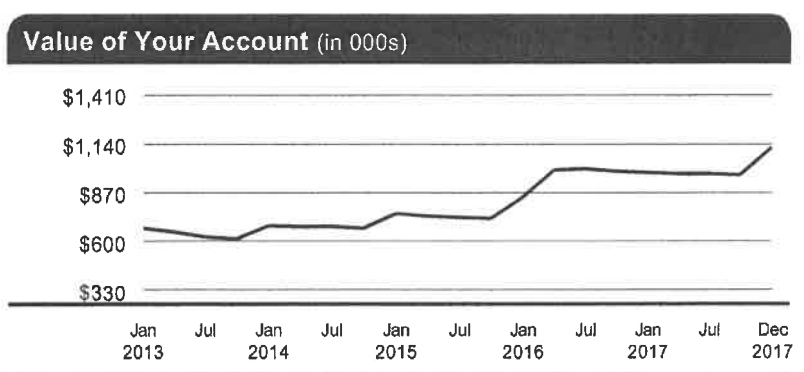
DELTA COUNTY FIRE PROTECTION
DISTRICT NO 2 PENSION FUND
U/A DTD 09/20/1989
P O BOX 1023
PAONIA CO 81428-1023

Account Agreement Changes

Please see the "Financial Focus" newsletter included with your statement for important information regarding changes to your account agreement(s).

Retirement plan trust

| Account Value | |
|-----------------------|--------------|
| \$1,122,785.43 | |
| 1 Month Ago | \$973,777.11 |
| 1 Year Ago | \$983,681.20 |
| 3 Years Ago | \$744,677.93 |
| 5 Years Ago | \$670,046.63 |



| Value Summary | | |
|-------------------------------|-----------------------|--------------|
| | This Period | This Year |
| Beginning Value | \$973,777.11 | \$983,681.20 |
| Assets Added to Account | 150,000.00 | 150,000.00 |
| Assets Withdrawn from Account | -2,710.00 | -30,490.00 |
| Fees and Charges | 0.00 | 0.00 |
| Change In Value | 1,718.32 | 19,594.23 |
| Ending Value | \$1,122,785.43 | |

For more information regarding the Value Summary section, please visit www.edwardjones.com/mystatementguide.



Asset Details (as of Dec 31, 2017)

additional details at www.edwardjones.com/access

Assets Held At Edward Jones

| | Current Yield/Rate | Beginning Balance | Deposits | Withdrawals | Ending Balance |
|-------------------------|--------------------|-------------------|--------------|-------------|----------------|
| Retirement Money Market | 0.62%* | \$52,996.27 | \$239,483.14 | -\$2,710.00 | \$289,769.41 |

* The average yield on the money market fund for the past seven days.

| Certificates of Deposit | Maturity Date | Maturity Value | Cost Basis | Unrealized Gain/Loss | Value |
|---|---------------|----------------|------------|----------------------|-----------|
| Goldman Sachs Bank USA DTD 02/24/2016 FDIC Insured to Legal Limits Interest Rate: 1.0% CUSIP: 38148PAY3 Estimated Yield: 1.00% | 2/26/2018* | 50,000.00 | 50,000.00 | -24.12 | 49,975.88 |



Asset Details (continued)

| Certificates of Deposit | Maturity Date | Maturity Value | Cost Basis | Unrealized Gain/Loss | Value |
|---|---------------|----------------|------------|----------------------|------------|
| Bank of India DTD 10/12/2017 F/C 04/11/2018 FDIC Insured to Legal Limits Interest Rate: 1.3% CUSIP: 06279H3Y7 Estimated Yield: 1.30% | 4/11/2018* | 248,000.00 | 248,000.00 | -4.22 | 247,995.78 |
| American Express Centurion Bk DTD 11/12/2015 FDIC Insured to Legal Limits Interest Rate: 1.65% CUSIP: 02587DG36 Estimated Yield: 1.65% | 11/13/2018* | 24,000.00 | 24,000.00 | -0.15 | 23,999.85 |
| Goldman Sachs Bank USA DTD 05/02/2012 FDIC Insured to Legal Limits Interest Rate: 2.25% CUSIP: 38143ARJ6 Estimated Yield: 2.23% | 5/2/2019* | 25,000.00 | 25,124.87 | 6.85 | 25,131.72 |
| Wells Fargo Bank DTD 06/30/2016 FDIC Insured to Legal Limits Interest Rate: 1.25% CUSIP: 9497486F9 Estimated Yield: 1.26% | 7/1/2019* | 100,000.00 | 100,000.00 | -817.68 | 99,182.32 |
| Discover Bank DTD 11/12/2015 FDIC Insured to Legal Limits Interest Rate: 2.2% CUSIP: 254672WS3 Estimated Yield: 2.20% | 11/12/2020* | 51,000.00 | 51,000.00 | -0.59 | 50,999.41 |
| American Express Centurion Bk DTD 05/24/2017 FDIC Insured to Legal Limits Interest Rate: 2.25% CUSIP: 02587DS58 Estimated Yield: 2.25% | 5/24/2021* | 60,000.00 | 60,000.00 | -98.27 | 59,901.73 |
| Capital One Bank USA Na DTD 05/24/2017 FDIC Insured to Legal Limits Interest Rate: 2.25% CUSIP: 1404202Z2 Estimated Yield: 2.25% | 5/24/2021* | 60,000.00 | 60,000.00 | -98.27 | 59,901.73 |

* This investment has an option that allows executor(s), surviving owner(s), or beneficiar(ies) to redeem it at par value upon your death subject to limitations. See the prospectus or banking agreement for additional information.



Asset Details (continued)

| Taxable Municipal Bonds | Maturity Date | Maturity Value | Cost Basis | Unrealized Gain/Loss | Value |
|---|----------------------|-----------------------|-------------------|-----------------------------|------------------|
| Florida St Dept Environmental Protection Build Amer Bond Rev DTD 01/28/2010 Callable 07/01/2019 @ 100.00 Interest Rate: 7.04% CUSIP: 34160WUD4 Bond Rating: AA-/Aa3/AA- Asset Category: Income Estimated Yield: 6.56% | 7/1/2029 | 10,000.00 | 10,150.78 | 574.52 | 10,725.30 |
| University Michigan General Revenue Build America Bonds DTD 01/20/2010 Interest Rate: 5.51% CUSIP: 914455JZ4 Bond Rating: AAA/Aaa Asset Category: Income Estimated Yield: 4.79% | 4/1/2030 | 10,000.00 | 10,111.64 | 1,376.26 | 11,487.90 |
| Cuyahoga Cnty Ohio Various Purpose Build America Bonds GO DTD 12/22/2009 Interest Rate: 6.03% CUSIP: 23223PCX3 Bond Rating: AA/Aa2/AA+ Asset Category: Income Estimated Yield: 4.88% | 12/1/2034 | 25,000.00 | 25,741.74 | 5,164.01 | 30,905.75 |
| Williamsport PA San Auth Swr Rev Ser Aa-2 Build America Bds DTD 12/21/2009 Callable 01/01/2019 @ 100.00 Interest Rate: 6.59% CUSIP: 970225CD8 Bond Rating: A+ Asset Category: Income Estimated Yield: 6.35% | 1/1/2039 | 20,000.00 | 20,740.23 | 13.57 | 20,753.80 |
| Arapahoe Cnty Colorado Wtr & Wastewtr Gi Build America Bds DTD 12/16/2009 Callable 12/01/2019 @ 100.00 Interest Rate: 6.48% CUSIP: 03871LAU7 Bond Rating: AA- Asset Category: Income Estimated Yield: 6.03% | 12/1/2039 | 25,000.00 | 25,476.58 | 1,350.17 | 26,826.75 |



Asset Details (continued)

| Corporate Bonds | Maturity Date | Maturity Value | Cost Basis | Unrealized Gain/Loss | Value |
|--|---------------|----------------|------------|----------------------|------------------|
| Statoil Asa Senior Note DTD 11/23/2011 Interest Rate: 3.15% CUSIP: 85771PAF9 Bond Rating: A+/Aa3/AA Asset Category: Income Estimated Yield: 3.07% | 1/23/2022 | 45,000.00 | 44,787.18 | 1,236.57 | 46,023.75 |
| Apple Inc Note DTD 02/09/2015 Interest Rate: 2.5% CUSIP: 037833AZ3 Bond Rating: AA+/Aa1 Asset Category: Income Estimated Yield: 2.56% | 2/9/2025 | 45,000.00 | 44,407.99 | -531.64 | 43,876.35 |
| Microsoft Corp Note DTD 05/18/2009 Interest Rate: 5.2% CUSIP: 594918AD6 Bond Rating: AAA/Aaa/AA+ Asset Category: Income Estimated Yield: 4.10% | 6/1/2039 | 20,000.00 | 20,199.66 | 5,128.34 | 25,328.00 |

Estimated Yield

The Estimated Yield (EY) in the preceding sections(s) compares the anticipated earnings on your investments in the coming year to the current price of the investments. It is based on past interest and dividend payments made by the securities held in your account. Changes in the price of a security over time or in the amount of the investment held in your account will cause the EY to vary. The EY is only an estimate and cannot be guaranteed by Edward Jones or the issuers of the securities. Your actual yield may be higher or lower than the estimated amounts. Estimates for any securities that have a return of principal or capital gain may be overstated. Income cannot be estimated for any securities that do not have an annual payment amount or frequency available at the time of estimation. Yield to Maturity is typically reported for Zero Coupon Bonds as these securities do not have an annual payment.

Total Account Value

\$1,122,785.43

Ratings- Ratings from Standard & Poor's (S&P), Moody's and Fitch may be shown for certain securities. S&P requires we inform you: (1) Ratings are NOT recommendations to buy, hold, sell or make any investment decisions and DO NOT address suitability or future performance; (2) S&P DOES NOT guarantee the accuracy, completeness, or availability of any ratings and is NOT responsible for results obtained from the use of any ratings. Certain disclaimers related to its ratings as are more specifically stated at <http://www.standardandpoors.com/disclaimers>.

The bond ratings shown are the highest of several possible credit ratings assigned by S&P, Moody's or Fitch for a particular bond and may reflect factors in addition to the credit quality of the issuer, such as bond insurance or participation in a credit enhancement program. For more details contact your financial advisor.

Cost basis is the amount of your investment for tax purposes and is used to calculate gain or loss incurred on the sale or other disposition of a security. Cost basis is not a measure of performance. The cost basis amounts in your statement should not be relied upon for tax preparation purposes. Please refer to your official tax documents for more information about reporting cost basis to the IRS. You should consult your attorney or qualified tax advisor regarding your situation. If you believe any of this cost basis information is inaccurate, please call our Client Relations department.