

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

1766.00

For the Year Ended  
12/31/17  
or fiscal year ended:

NAME OF GOVERNMENT  
ADDRESS

East Orchard Mesa Fire Protection District  
P.O.Box 164  
Palisade, CO 81526

CONTACT PERSON  
PHONE  
EMAIL  
FAX

Brann Johnson  
970-778-0267  
johnson@geo.tamu.edu

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED  
(Must be prepared prior to  
Board approval)

Brann Johnson  
Treasurer, East Orchard Mesa Fire Protection District  
P.O. Box 164, Palisade, CO 81526  
970-778-0267  
12-Mar-17

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)
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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**RECEIVED**  
Office of the State Auditor  
March 28, 2018

## 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	\$ 29,955	
2-2	Specific ownership	\$ 4,593	
2-3	Sales and use	\$ -	
2-4	Other (specify): interest, abatement, impact assistance	\$ 87	
2-5	Licenses and permits	\$ 100	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 22	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ 479	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ 13,950	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ 2,079	
2-21	Other (specify): property ins refund, workers comp ins rebate, Xcel rebate	\$ 474	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 51,739	

## PART 3 - EXPENDITURES

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	\$ 677	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 6,233	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ 2,658	
3-9	Supplies	\$ 2,535	
3-10	Utilities and telephone	\$ 2,738	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ 29,312	
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 (specify): dues: \$504.20; 911 fees to GJ: \$1,038.31; training: \$439.45	\$ 2,355	
3-24	OMID fee: \$124.02;	\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 46,506	

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:

Yes  No  
 Yes  No

- 4-3 Is the entity current in its debt service payments? If no, MUST explain:

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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*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?

\$ -

- 4-9 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	-	
General/Other	4.05	
<b>TOTAL</b>	<b>4.05</b>	

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

\$ 19,862

- 5-2 Certificates of deposit

\$ 10,416

**Total Cash Deposits**

**\$ 30,278**

Investments (if investment is a mutual fund, please list underlying investments):

- 5-3

\$ -

\$ -

\$ -

\$ -

**Total Investments**

**\$ -**

**Total Cash and Investments**

**\$ 30,278**

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.?

Yes  No  N/A

- 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?

Yes  No  N/A

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

## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets?

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:

6-3

Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Buildings	\$ 78,910	\$ -	\$ -	\$ 78,910
Machinery and equipment	\$ 218,348	\$ 29,312	\$ 75,000	\$ 172,660
Furniture and fixtures	\$ 800	\$ -	\$ -	\$ 800
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 353,058</b>	<b>\$ 29,312</b>	<b>\$ 75,000</b>	<b>\$ 307,370</b>

\*must tie to prior year ending balance

Please use this space to provide any explanations or comments:

Please see comments made in comments section of Part 10

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firemen's pension plan?

7-2 Does the entity have a volunteer firemen's pension plan?

If yes:

Who administers the plan?

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?	\$ -

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.?

If no, MUST explain:

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

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

General Fund (Mill levy and specific ownership)	\$ 25,132

## 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)]?  Yes  No

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?  Yes  No

If yes: Date of formation:

- 10-2 Has the entity changed its name in the past or current year?  Yes  No

If yes: Please list the NEW name & PRIOR name:

- 10-3 Is the entity a metropolitan district?  Yes  No

Please indicate what services the entity provides:

EOMFPD provides volunteer fire protection and first responder EMS to citizens in our district  Yes  No

- 10-4 Does the entity have an agreement with another government to provide services?  Yes  No

If yes: List the name of the other governmental entity and the services provided: mutual fire aid to other fire districts in Meas County, BLM and US Forest Service

- 10-5 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:

Please use this space to provide any explanations or comments:

1) The board of EOMPD initially budgeted expenditure of \$25,132, but during 2017 the board decided to replace the fire engine, buy bunker gear, replace some EMS equipment and buy a number of SCBA units. The total capital equipment purchased was equal to \$29,312 of which only \$5,000 was originally budgeted in the 2017 budget. The board met and voted to make the additional purchases using reserves in checking account. In addition the board decided to sell the old fire engine purchased in 2004; the engine was sold for \$13,950. 2) I received a letter June 15, 2017 from Crystal Dorsey, Local Government Audit Manager, noting that the beginning balance (2016 audit exemption) of the District's machinery and equipment did not match the prior (2015) years ending balance. In the 2015 audit exemption application I made a clerical error on the year end value of machinery and equipment which was brought to my attention in a letter from the Office of the State Auditor. I made the appropriate correction for the beginning value of machinery and equipment in the 2016 audit exemption; this explains the observed discrepancy in the 2016 audit exemption application. The number shown for year end value for 2016 is the correct number and is thus the number I use this year (2017). As I note above the Board approved sale of the old fire engine, which the department bought in 2004 for \$75,000.

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	
Board Member 1	Gene Byrne	I <u>Gene Byrne</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>March 13, 2018</u> My term Expires: <u>5/1/2020</u>
Board Member 2	Bill Dunn	I <u>William J Dunn</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3-13-18</u> My term Expires: <u>5/1/2020</u>
Board Member 3	Bobby Dery	I <u>Bobby Dery</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/13/18</u> My term Expires: <u>5/1/2018</u>
Board Member 4	John Cox	I <u>JOHN COX</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/13/2018</u> My term Expires: <u>5/1/2020</u>
Board Member 5	Donovan Talbott	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: <u>5/1/2018</u>
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

**Original Signatures  
Verified by**

Justin L. Smith



March 16, 2017

Crystal L Dorsey, CPA  
Local Government Audit Manager  
Local Government Audit Division  
1525 Sherman St, 7<sup>th</sup> Floor  
Denver CO 80203

Dear Ms. Dorsey:

Via this letter accompanying the 2017 audit exemption application for East Orchard Mesa Fire Protection District, I want to note the correction I made to the Capital Asset category that you brought to my attention initially in a letter dated April 21 2016.

In the 2015 audit exemption application due to a clerical error I incorrectly recorded the starting value for "machinery and equipment" as \$170,820 versus the correct value of \$172, 525. This error affected the end of year value; the correct end of 2015 value should have been \$213,187, not \$211,482 as show on the original application submitted. For the 2016 audit exemption application I made this correction for the starting value of machinery and equipment so that the correct end-of-2016 value was \$218,348 (due to \$5,161 asset addition in 2016). Unfortunately, I did not note this correction in the appropriate comment box in 2106 application, although I did check the box indicating correction of a prior year deficiency noted by the OSA. In the 2017 audit exemption application I have used this value, \$218,348, for the beginning of the year. I have made similar but not as precise comments in the 2017 audit exemption application.

Hopefully these comments will clarify the noted deficiency in the 2015 application and how its correction caused the mismatch between ending and beginning values for the "machinery and equipment" category.

Sincerely,



Brann Johnson  
Treasurer, East Orchard Mesa Fire Protection District