

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE LONG FORM.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

### EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

### READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END.

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS  
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED. FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

### CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted via Fax or Email?
  - If yes, have you read and understand the new Electronic Signature Policy? See new policy -> [here](#)
- or--
- If yes, have you included a resolution?
- Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
- Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
- If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

### FILING METHODS

MAIL: Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203

FAX: 303-869-3061

EMAIL: [osa.lg@state.co.us](mailto:osa.lg@state.co.us)

QUESTIONS? 303-869-3000

### IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

### APPLICATION FOR EXEMPTION FROM AUDIT

#### SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Holly Flood Control Drainage and Sanitation District  
P.O. Box 184  
Holly, CO 81047

CONTACT PERSON

Shelbie Schenck

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

PHONE  
EMAIL  
FAX

806-676-1715  
shelbieschenck@gmail.com

XXX

**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:	Shelbie Schenck
TITLE:	Secretary
FIRM NAME (if applicable):	
ADDRESS:	16065 State Highway 89, Holly, CO 81047
PHONE:	806-676-1715
DATE PREPARED (Must be prepared prior to Board approval):	22-Oct-18

**PREPARER (SIGNATURE REQUIRED)**

*Shelbie Schenck*

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR PROPRIETARY BASIS)
	<input type="checkbox"/>	<input type="checkbox"/>

**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	\$ 9,600	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify): DOW Land Lease	\$ 500	
2-5	Licenses and permits	\$ -	
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	\$ 200	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-1, 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	\$ 10,300	

**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	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 600	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ 2,500	
3-8	Repair and maintenance	\$ 2,500	
3-9	Supplies	\$ 30	
3-10	Utilities and telephone	\$ 341	
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	\$ -	
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):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 5,971	

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.

4-1	Does the entity have outstanding debt?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
4-2	If Yes, please attach a copy of the entity's Debt Repayment Schedule. Is the debt repayment schedule attached? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>		
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>		
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):  
 TOTAL

\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

4-5	Does the entity have any authorized, but unissued, debt?		Yes	No
If yes	How much?	\$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Date the debt was authorized:			
4-6	Does the entity intend to issue debt within the next calendar year?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes	How much?	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes	What is the amount outstanding?	\$ -		
4-8	Does the entity have any lease agreements?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?		<input type="checkbox"/>	<input type="checkbox"/>
4-9	What are the annual lease payments?	\$ -		
If yes	Does the entity have a certified Mill Levy?		<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

	Bond Redemption	-
	General/Other	-
	TOTAL	-

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	\$ 61,166
5-2	Certificates of deposit	\$ 50,200
	<b>Total Cash Deposits</b>	<b>\$ 111,366</b>
	Investments (if investment is a mutual fund, please list underlying investments):	
5-3		\$ -
		\$ -
		\$ -
		\$ -
	<b>Total Investments</b>	<b>\$ -</b>
	<b>Total Cash and Investments</b>	<b>\$ 111,366</b>

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

5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	Yes	No	N/A
		<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.)?	Yes	No	N/A
		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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.

6-1	Does the entity have capital assets?	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
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
		<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	\$ 96,044	\$ -	\$ -	\$ 96,044
Buildings	\$ 23,084	\$ -	\$ -	\$ 23,084
Machinery and equipment	\$ 5,684	\$ -	\$ -	\$ 5,684
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 124,812</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124,812</b>

\*must tie to prior year ending balance

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.

7-1	Does the entity have an "old hire" firemen's pension plan?	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	Yes	No
		<input type="checkbox"/>	<input checked="" type="checkbox"/>

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?

\$	-
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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.

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.?	Yes	No	N/A
		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If no, MUST explain:

Change of secretary later in the year. No paperwork has been filed.

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	\$	5,971

### PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

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 2 percent emergency clause 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.

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:

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:

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:

### PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?  YES  NO

## 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 current governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.	
Board Member 1	Print Board Member's Name Daniel Tefertiller/President	I, <u>Daniel Tefertiller</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>10/24/18</u> My term Expires: 05/2021	
Board Member 2	Print Board Member's Name Robert Kirmer	I, <u>Robert Kirmer</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>10-24-18</u> My term Expires: 05/2021	
Board Member 3	Print Board Member's Name Randy Hetrick	I, <u>Randy Hetrick</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>10/24/18</u> My term Expires: 05/2021	
Board Member 4	Print Board Member's Name Kent Anderson	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: 05/2022	
Board Member 5	Print Board Member's Name Austin Hazen	I, <u>Austin Hazen</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>10/24/18</u> My term Expires: 05/2021	
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.

**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 2017 for the Board of the Holly Flood Control, Drainage and Sanitation District, STATE of COLORADO.

**WHEREAS**, the Board of Holly Flood Control, Drainage and Sanitation District 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

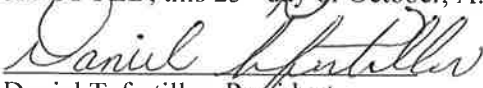
**WHEREAS**, neither revenue nor expenditures for Holly Flood Control, Drainage and Sanitation District exceeded \$100,000 for the fiscal year 2017 and

**WHEREAS**, an application for exemption from audit for the Holly Flood Control, Drainage, and Sanitation District has been prepared by Shelbie Schenck, a person skilled in government accounting; and

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



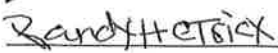

**NOW THEREFORE**, be it resolved/ordained by the Board of the Holly Flood Control, Drainage, and Sanitation District that the application for exemption from audit for Holly Flood Control, Drainage, and Sanitation District for the fiscal year ended December 31, 2017, has been personally reviewed and hereby approved by a majority of the Board of the Holly Flood, Drainage, and Sanitation District; that those members of the Board 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 Holly Flood Control, Drainage, and Sanitation District for the fiscal year ended December 31, 2017.

**ADOPTED**, this 23<sup>th</sup> day of October, A.D., 2018

  
Daniel Tefertiller, President

ATTEST:

  
Shelbie Schenck, Secretary/Treasurer

Name	Date Term Expires	Signature
<u>Daniel Tefertiller</u>	<u>05/2021</u>	 <u>Daniel Tefertiller</u>
<u>Robert Kirmer</u>	<u>05/2021</u>	 <u>Robert Kirmer</u>
<u>Randy Hetrick</u>	<u>05/2021</u>	 <u>Randy Hetrick</u>
<u>Austin Hazen</u>	<u>05/2022</u>	 <u>Austin Hazen</u>