

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Morgan Drainage District
21343 Highway 285
La Jara, CO 81140
Margie DeHerrera
719-274-5965
towtruck5965@aol.com

For the Year Ended
12/31/24
or fiscal year ended:

12/31/2022

CONTACT PERSON
PHONE
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:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE

Leslie Fleming
CPA
Fleming and Fleming, LLC
P. O. Box 94, Alamosa, CO 81101
719-580-3070

PREPARER (SIGNATURE REQUIRED)

DATE PREPARED
(No exemption shall be granted prior to the close of said fiscal year)

Leslie Fleming

08.25.2025

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 - REVENUES

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 the nearest dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in question 10-7)		Assessments received by the District from the County Treasurer in 2022 included partial 2021 assessments
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
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	\$ 2,016	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree to table 4-4, column 'Issued during year')	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree to table 4-4, column 'Issued during year')	\$ -	
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		\$ -	
2-25		\$ -	
2-26	(add lines 2-1 through 2-25) TOTAL REVENUES	\$ 2,016	

PART 3 - EXPENDITURES/EXPENSES

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 the nearest dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 200	Assessments received by the District from the County Treasurer in 2022 included partial 2021 assessments
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ 1,000	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
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 to table 4-4, column 'Retired during year')	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan	\$ -	
3-22	Contribution to Fire & Police Pension Assoc.	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26		\$ -	
3-27		\$ -	
3-28	(add lines 3-1 through 3-27) TOTAL EXPENDITURES/EXPENSES	\$ 1,200	

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? <i>(If 'No' is checked, skip to question 4-5)</i> <i>(If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2	Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3	Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4	Please complete the following debt schedule, if applicable: <i>(please only include principal amounts)</i> <i>(enter all amounts as positive numbers)</i>				
	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

**Subscription-Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

Yes No

4-5	Does the entity have any authorized but unissued debt as of its fiscal year-end? How much? \$ - Date the debt was authorized: <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
NEW 4-6	Is the authorized but unissued debt further limited by the entity's most recent Service Plan? If yes: How much? \$ - Date of the most recent Service Plan: <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>	
4-7	Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-8	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-9	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 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

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	\$ 856		
5-2	Certificates of deposit	\$ -		
	TOTAL CASH DEPOSITS			\$ 856
5-3	Investments (if investment is a mutual fund, please list underlying investments):			
		\$ -		
		\$ -		
		\$ -		
	TOTAL INVESTMENTS			\$ -
	TOTAL CASH AND INVESTMENTS			\$ 856

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

Part 5 - 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?
<i>(If 'No' is checked, skip the rest of Part 6)</i> | <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: | <input type="checkbox"/> | <input type="checkbox"/> |

Complete the following capital & right-to-use assets table:	Balance - beginning of the year	Additions [^]	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization <i>(Please enter a negative, or credit, balance)</i>	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

^{*}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 6 - Please use this space to provide any explanations/comments or attach documentation, if needed

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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7-2 | Does the entity have a volunteer firefighters' pension plan? | <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.):	\$ -
TOTAL	\$ -

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

Part 7 - 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: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- | | | | | |
|-----|--|-------------------------------------|--------------------------|--------------------------|
| 8-2 | Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 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 (Please make sure each individual fund's appropriation agrees to how the budget was adopted. Do not combine funds)

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$2,340.00

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 entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Part 9 - If no, MUST use this space to provide any explanations

For calendar year 2022, the Morgan Drainage District has adequate fund balance to meet the TABOR 3% reserve

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:

Please list the PRIOR name:

- 10-3 Is the entity a metropolitan district?

- 10-4 Please indicate what services the entity provides:

- 10-5 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:

- 10-6 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.]

If yes: Date filed:

- 10-7 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

Yes

No

N/A

- 10-8 If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.

Please use this space to provide any additional explanations or comments not previously included

10.7 - The Morgan Drainage District does not have a certified mill levy. Annual assessments are .10/acre

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box.

Yes

No

11-1 If you plan to submit this form electronically, have you read the Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signature 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 two 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 or type the names of ALL members of current governing body below.
 A MAJORITY of the members of the governing body must sign below.

Board Member 1	Board Member's Name:	Dominic Chavez
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature <u>D - C</u>
	My term expires: _____ May 2026 _____	Date <u>9/9/25</u>
Board Member 2	Board Member's Name:	Margie DeHerrera
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature <u>Margie DeHerrera</u>
	My term expires: _____ May 2026 _____	Date <u>9/9/25</u>
Board Member 3	Board Member's Name:	Jason Coombs
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature _____
	My term expires: _____ May 2026 _____	Date _____
Board Member 4	Board Member's Name:	_____
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature _____
	My term expires: _____	Date _____
Board Member 5	Board Member's Name:	_____
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature _____
	My term expires: _____	Date _____
Board Member 6	Board Member's Name:	_____
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature _____
	My term expires: _____	Date _____
Board Member 7	Board Member's Name:	_____
	I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature _____
	My term expires: _____	Date _____

RESOLUTION FOR EXEMPTION FROM AUDIT

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

A RESOLUTION APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2022 FOR THE MORGAN DRAINAGE DISTRICT, STATE OF COLORADO.

WHEREAS, the Board of Directors of the Morgan Drainage 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

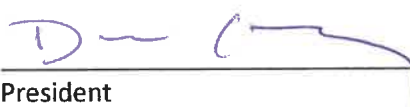
WHEREAS, neither revenue nor expenditures for the Morgan Drainage District exceeded \$100,000 for the Fiscal Year 2022;

WHEREAS, an application for exemption from audit for the Morgan Drainage District has been prepared by Leslie Fleming, CPA, a person skilled in governmental accounting, and

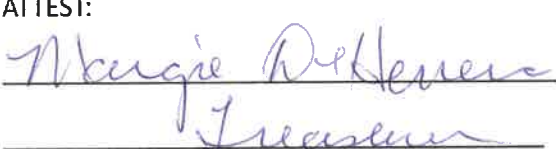
WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the State Auditor.

NOW THEREFORE, be it resolved by the Board of Directors of the Morgan Drainage District that the application for exemption from audit for the Morgan Drainage District for the Fiscal Year ended December 31, 2022 has been personally reviewed and is hereby approved by a majority of the Board of Directors of the Morgan Drainage District; that those members of the Board of Directors 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 Morgan Drainage District for the Fiscal Year ended December 31, 2022.

ADOPTED THIS 9th day of September 2025.



President

ATTEST:


Title

<u>Board of Directors</u>	<u>Term Expires</u>
Dominic Chavez	May 2026
Margie DeHerrera	May 2026
Jason Coombs	May 2026

Signature
