# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

| | | |
|---|---|---|
| NAME OF GOVERNMENT | Morgan Drainage District | For the Year Ended 12/31/24 or fiscal year ended: |
| ADDRESS | 21343 Highway 285 | |
| | La Jara, CO 81140 | |
| | | |
| CONTACT PERSON | Margie DeHerrera | 12/31/2023 |
| PHONE | 719-274-5965 | |
| EMAIL | towtruck5965@aol.com | |

## 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: | Leslie Fleming |
| TITLE | CPA |
| FIRM NAME (if applicable) | Fleming and Fleming, LLC |
| ADDRESS | P. O. Box 94, Alamosa, CO 81101 |
| PHONE | 719-580-3070 |

| PREPARER (SIGNATURE REQUIRED) | DATE PREPARED (No exemption shall be granted prior to the close of said fiscal year) |
|---|---|
| Leslie Fleming | 08.25.25 |

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

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## 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) | | |
| 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 | | $ 1,089 | |
| 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): | | $ 400 | |
| 2-22 | | | $ - | |
| 2-23 | | | $ - | |
| 2-24 | | | $ - | |
| 2-25 | | | $ - | |
| 2-26 | (add lines 2-1 through 2-25) | TOTAL REVENUES | $ 1,489 | |

## 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 | | $ 300 | |
| 3-2 | Salaries | | $ - | |
| 3-3 | Payroll taxes | | $ - | |
| 3-4 | Contract services | | $ - | |
| 3-5 | Employee benefits | | $ - | |
| 3-6 | Insurance | | $ - | |
| 3-7 | Accounting and legal fees | | $ - | |
| 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 | $ 300 | |

# 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?<br>*(If 'No' is checked, skip to question 4-5)*<br>*(If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)* | ☐ | ☑ |
| 4-2 | Is the debt repayment schedule attached? If no, MUST explain below: | ☐ | ☐ |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain below: | ☐ | ☐ |

4-4

| Please complete the following debt schedule, if applicable:<br>(please only include principal amounts)<br>(enter all amounts 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 & 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: | | | |
| 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: | | | |
| 4-7 | Does the entity intend to issue debt within the next calendar year? | | ☐ | ☑ |
| If yes: | How much? | $ - | | |
| 4-8 | Does the entity have debt that has been refinanced that it is still responsible for? | | ☐ | ☑ |
| If yes: | What is the amount outstanding? | $ - | | |
| 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? | $ - | | |

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 | $ 2,044 | |
| 5-2 | Certificates of deposit | $ - | |
| | TOTAL CASH DEPOSITS | | $ 2,044 |
| 5-3 | Investments (if investment is a mutual fund, please list underlying investments): | | |
| | | | |
| | | $ - | |
| | | $ - | |
| | | $ - | |
| | TOTAL INVESTMENTS | | $ - |
| | TOTAL CASH AND INVESTMENTS | | $ 2,044 |

| | 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.)? | ☑ | ☐ | ☐ |

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? *(If 'No' is checked, skip the rest of Part 6)* | ☐ | ☑ |
| 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 & 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 (Please enter a negative, or credit, balance) | $ - | $ - | $ - | $ - |
| 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? | ☐ | ☑ |
| 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? $ -

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: No budget was filed for the 2023 calendar year | ☐ | ☑ | ☐ |
| 8-2 | Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: No resolution was prepared or passed for the 2023 calendar year | ☐ | ☑ | ☐ |

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 |
|---|---|
| | |
| | |
| | |
| | |

## 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 2023, 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 mil 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.<br>My term expires: May 2026 | Signature D~ (~)<br>Date 9/9/25 |
| 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.<br>My term expires: May 2026 | Signature Margie DeHerrera<br>Date 9/9/25 |
| 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.<br>My term expires: May 2026 | Signature _____<br>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.<br>My term expires: _____ | Signature _____<br>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.<br>My term expires: _____ | Signature _____<br>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.<br>My term expires: _____ | Signature _____<br>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.<br>My term expires: _____ | Signature _____<br>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 2023 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 2023;

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, 2023 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, 2023.

ADOPTED THIS 9th day of September 2025.

President

ATTEST:

Margie DeHerrera

Treasurer

Title

| Board of Directors | Term Expires | Signature |
|---|---|---|
| Dominic Chavez | May 2026 | |
| Margie DeHerrera | May 2026 | Margie DeHerrera |
| Jason Coombs | May 2026 | |