



May 08, 2014

Board Of Directors
Upper Black Squirrel Creek GW Management District
520 Colorado St Suite C
Calhan, CO 80808

RE: 2667.00

Dear Board Of Directors:

We have reviewed the Application for Exemption from Audit of Upper Black Squirrel Creek GW Management District. Based on our review, the 12/31/2013 Application for Exemption from Audit has been approved.

All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. We strongly advise that you familiarize yourself with all provisions of the Local Government Audit Law, Section 29-1-601 et seq., C.R.S.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at www.state.co.us/auditor.

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

CLD:js

cc: Department of Local Affairs
Division of Local Government



We Set the Standard for Good Government

Applying for Exemption from Audit

In accordance with 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 revenues or expenditures for the fiscal year are not more than \$500,000. This means that neither revenues nor expenditures can exceed \$500,000 in the fiscal year.

General Instructions READ ALL INSTRUCTIONS BEFORE COMPLETING OR SUBMITTING THIS FORM

Exemptions from audit are not automatic. Every year, in order to be exempt from audit, the local government must complete an Application for Exemption from Audit and submit it to the Office of the State Auditor. An exemption from audit is only granted upon the review and approval of the Office of the State Auditor.

The application must be received and filed with the Office of the State Auditor within 3 months after the end of the fiscal year. The application must be received in our office on or before March 31 for governments with a December 31 fiscal year-end. **POSTMARK DATES WILL NOT BE CONSIDERED**

The appropriate version of the Application for Exemption from Audit must be used.

Prior years' forms are obsolete and will not be accepted. Applications submitted on forms other than those prescribed by the State Auditor will also not be accepted.

The application must be fully and accurately completed.

The preparer must sign the application.

The application must be personally reviewed and approved by the governing body. Approval is evidenced by one of the following two methods:

- 1) If the completed application is going to be submitted electronically using email or fax, the application **MUST** include a resolution of the governing body that states the completed application was personally reviewed and approved by a majority of the body in an open public meeting. The resolution **MUST** include the signatures of a majority of the governing body (see sample resolution).
- 2) If the completed application is going to be submitted through postal mail (U.S. Post Office, UPS, FedEx), the application must include the original ink signatures of a majority of the governing body.

USE ONLY ONE OF THE ABOVE METHODS WHEN FILING THE APPLICATION.

The mailing address is:

Office of the State Auditor

Local Government Audit Division

1525 Sherman St. 7th Floor

Denver, CO 80203

The fax number is: (303) 866-4062

The e-mail address is: OSA.LG@state.co.us

We Moved!

Please note our new address:
1525 Sherman St., 7th Floor
Denver, CO 80203
303-869-3000

Two forms are available:

- 1) The "short form" should be submitted if both revenues and expenditures are less than or equal to \$100,000. A preparer of the short form must be a person skilled in governmental accounting.
- 2) The "long form" should be submitted if either revenues or expenditures are greater than \$100,000 but are less than or equal to \$500,000. A preparer of the long form must be an independent accountant with knowledge of governmental accounting.

Please call (303) 866-3338 if you need help completing the Application for Exemption from Audit forms.

Important: All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor. Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that fiscal year and the ensuing fiscal year. In that case, an audit shall be required.

COPY

APPLICATION FOR EXEMPTION FROM AUDIT - LONG FORM - FOR GOVERNMENTS WITH REVENUE OR EXPENDITURES GREATER THAN \$100,000 BUT NOT MORE THAN \$500,000

Name of Government:	Upper Black Squirrel Creek Ground Water Management District	For the Fiscal Year
Address:	520 Colorado Avenue, Suite C Calhan, CO 80808	
Contact Person:	Tracy Doran	Ended December 31, 2013
Telephone:	(719) 347-9704	or fiscal year ended:
Email:	ubscgwmd03@aol.com	
Fax:	(719) 347-9423	

Return to: Office of the State Auditor
Local Government Audit Division
1525 Sherman St., 7th Floor
Denver, CO 80203
Fax: 303-866-4062
Email: OSALG@state.co.us
Call (303) 869-3000 if you need help completing this form.

PLEASE READ THE ABOVE INSTRUCTIONS BEFORE SUBMITTING THE COMPLETED APPLICATION

Section 29-1-604, C.R.S., outlines the provisions for an exemption from audit. Generally, any local government for which neither revenue nor expenditures exceed \$500,000 in any fiscal year may qualify for an exemption.

If either revenues or expenditures are \$100,000 or greater, but not more than \$500,000, you may use this form. If both revenues and expenditures are less than \$100,000 individually, use the short form application for exemption from audit.

Please review ALL instructions prior to the completion of this form.

- Instructions:** (See "Instructions" tab for additional information)
- Prepare this form completely and accurately. Please note that there are 11 parts to this form and all questions must be answered for the application to be considered complete.
 - Please use whole dollars. Do not include any cents. Please round consistently to ensure that the financial information balances between schedules.
 - File this form with the Office of the State Auditor within 3 months after the end of the fiscal year. For years ended December 31, the form **must** be received by the Office of the State Auditor by March 31.
 - The form **must** be completed by an independent accountant (separate from the entity) with knowledge of governmental accounting.
 - The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
 - Resolution of the governing body - application may be emailed, faxed, or mailed.
 - Original signatures - application must be mailed. Email or fax will NOT be accepted.
 - The preparer **must** sign the application that is submitted in order for it to be accepted.
 - Additional information may be attached to the exemption at the preparer's discretion.

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. Independent means someone who is separate from the entity.

Name:	Jason D. Adams
Title:	Partner
Firm Name (if applicable):	Poynt & Adams, LLC
Address:	400 S. Colorado Blvd., Suite 690, Denver, CO 80246
Telephone Number:	(303) 285-2501
Date Prepared:	2/8/2014

Preparer Signature (Required): The application will be rejected if not signed by the preparer.

Jason D Adams

Relationship to entity: Independent consultant for District, regarding Labor Amendment, and various budgeting matters. No other relationship with District.

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 \$500,000. Independent means someone who is separate from the entity. Please describe above what your relationship is with the entity.

PART 1 - Financial Statements - Balance Sheet

Ln #	Description	Governmental Funds		Proprietary/Fiduciary Funds		Totals
		Fund#	Fund#	Fund#	Fund#	
1-1	Assets					
1-2	Cash & Cash Equivalents	\$ 33,387	\$ -	\$ -	\$ -	\$ 33,387
1-3	Investments	\$ 19,839	\$ -	\$ -	\$ -	\$ 19,839
1-4	Receivables	\$ 2,463	\$ -	\$ -	\$ -	\$ 2,463
1-5	Due from Other Entities or Funds	\$ -	\$ -	\$ -	\$ -	\$ -
1-6	Other Assets (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
1-7		\$ -	\$ -	\$ -	\$ -	\$ -
1-8		\$ -	\$ -	\$ -	\$ -	\$ -
1-9		\$ -	\$ -	\$ -	\$ -	\$ -
1-10		\$ -	\$ -	\$ -	\$ -	\$ -
1-11		\$ -	\$ -	\$ -	\$ -	\$ -
1-12		\$ -	\$ -	\$ -	\$ -	\$ -
1-13	Total Assets (add lines 1-2 through 1-12)	\$ 55,789	\$ -	\$ -	\$ -	\$ 55,789
1-14	Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
1-15	Total Assets and Deferred Outflows of Resources	\$ 55,789	\$ -	\$ -	\$ -	\$ 55,789
1-16	Liabilities and Fund Balance					
1-16	Liabilities					
1-16	Accounts Payable	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500
1-17	Accrued Payroll and Related Liabilities	\$ 1,426	\$ -	\$ -	\$ -	\$ 1,426
1-18	Accrued Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ -	\$ -	\$ -	\$ -	\$ -
1-20	Other Liabilities (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
1-21		\$ -	\$ -	\$ -	\$ -	\$ -
1-22		\$ -	\$ -	\$ -	\$ -	\$ -
1-23		\$ -	\$ -	\$ -	\$ -	\$ -
1-24		\$ -	\$ -	\$ -	\$ -	\$ -
1-25		\$ -	\$ -	\$ -	\$ -	\$ -
1-26		\$ -	\$ -	\$ -	\$ -	\$ -
1-27		\$ -	\$ -	\$ -	\$ -	\$ -
1-28		\$ -	\$ -	\$ -	\$ -	\$ -
1-29		\$ -	\$ -	\$ -	\$ -	\$ -
1-30	Total Liabilities (add lines 1-16 through 1-29)	\$ 9,926	\$ -	\$ -	\$ -	\$ 9,926
1-31	Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -
1-31	Fund Balance					
1-31	Nonspendable:					
1-32	Prepaid	\$ -	\$ -	\$ -	\$ -	\$ -
1-33	Inventory	\$ -	\$ -	\$ -	\$ -	\$ -
1-34	Restricted:					
1-34	Emergency Reserves	\$ 9,021	\$ -	\$ -	\$ -	\$ 9,021
1-35	Committed:					
1-35	(specify)	\$ -	\$ -	\$ -	\$ -	\$ -
1-36	Assigned:					
1-36	Subsequent year's budget approp. of fund balance	\$ 11,172	\$ -	\$ -	\$ -	\$ 11,172
1-37	Unassigned:					
1-37		\$ 25,670	\$ -	\$ -	\$ -	\$ 25,670
1-38	Total Fund Balance (add lines 1-32 through 1-37) This total should be the same as line 3-33.	\$ 45,863	\$ -	\$ -	\$ -	\$ 45,863
1-39	Total Liabilities, Deferred Inflows, and Fund Balance (add lines 1-30, 1-31 and 1-38) This total should be the same as line 1-15	\$ 55,789	\$ -	\$ -	\$ -	\$ 55,789

*Indicate Name of Fund
Note: Attach additional sheets as necessary.

PART 2 - Financial Statements - Operating Statement - Revenues

	Governmental Funds		Revenues and Other Financing Sources	Proprietary/Fiduciary Funds		Total of All Funds
	Fund*	Fund*		Fund*	Fund*	
2-1	Revenues and Other Financing Sources					
2-2	Taxes		Taxes			
2-3	Property	\$ 257,608	Property	\$ -	\$ -	
2-4	Specific Ownership	\$ 25,759	Specific Ownership	\$ -	\$ -	
2-5	Sales and Use Tax	\$ -	Sales and Use Tax	\$ -	\$ -	
2-6	Other (specify)	\$ -	Other (specify)	\$ -	\$ -	
2-7	Interest on Delinquent Taxes	\$ 455		\$ -	\$ -	
2-8		\$ -		\$ -	\$ -	
2-9		\$ -		\$ -	\$ -	
2-10	Licenses and Permits	\$ -	Licenses and Permits	\$ -	\$ -	
2-11	Intergovernmental	\$ -	Intergovernmental	\$ -	\$ -	
2-12	Highway Users Tax Funds (HUTF)	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-13	Conservation Trust Funds (Lottery)	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-14	Community Development Block Grant	\$ -	Community Development Block Grant	\$ -	\$ -	
2-15	Fire & Police Pension	\$ -	Fire & Police Pension	\$ -	\$ -	
2-16	Grants	\$ -	Grants	\$ -	\$ -	
2-17	Donations	\$ -	Donations	\$ -	\$ -	
2-18	Charges for Sales and Services	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-19	Rental Income	\$ -	Rental Income	\$ -	\$ -	
2-20	Fines and Forfeits	\$ -	Fines and Forfeits	\$ -	\$ -	
2-21	Interest/Investment Income	\$ 61	Interest/Investment Income	\$ -	\$ -	
2-22	Tap Fees	\$ -	Tap Fees	\$ -	\$ -	
2-23	Developer Advances	\$ -	Developer Advances	\$ -	\$ -	
2-24	Other (specify)	\$ -	Other (specify)	\$ -	\$ -	
2-25		\$ -		\$ -	\$ -	
2-26	Total Revenues (Add lines 2-3 through 2-25)	\$ 283,883	Total Revenues (Add lines 2-3 through 2-25)	\$ -	\$ -	
2-27	Other Financing Sources		Other Financing Sources			
2-28	Debt Proceeds	\$ -	Debt Proceeds	\$ -	\$ -	
2-29	Proceeds from Sale of Capital Assets	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-30	Other (specify)	\$ -	Other (specify)	\$ -	\$ -	
2-31	Total Other Financing Sources (Add lines 2-28 through 2-30)	\$ -	Total Other Financing Sources (Add lines 2-28 through 2-30)	\$ -	\$ -	
2-32	Total Revenues and Other Financing Sources (Add lines 2-26 and 2-31)	\$ 283,883	Total Revenues and Other Financing Sources (Add lines 2-26 and 2-31)	\$ -	\$ -	\$ 283,883

Note: If Total Revenues and Other Financing Sources - Total of All Funds (line 2-32) are greater than \$500,000 - STCP, you may not use this form. An audit may be required. See Section 29-1-404, C.R.S., or contact us at

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Is the debt repayment schedule attached? If no, please explain:					
4-2					
Is the entity current in its debt service payments? If no, please explain:					
4-3					
Please complete the following debt schedule, if applicable: (please only include principal amounts)					
		Outstanding at end of prior year	Issued during fiscal year	Retired during fiscal year	Outstanding at fiscal year- end
General obligation bonds		\$ -	\$ -	\$ -	\$ -
Revenue bonds		\$ -	\$ -	\$ -	\$ -
Notes/loans		\$ -	\$ -	\$ -	\$ -
Leases		\$ -	\$ -	\$ -	\$ -
Developer Advances		\$ -	\$ -	\$ -	\$ -
Other (specify):		\$ -	\$ -	\$ -	\$ -
Total:		\$ -	\$ -	\$ -	\$ -
Please answer the following questions by marking the appropriate boxes.					
4-4		Does the entity have any authorized, but unissued, debt?			<input type="checkbox"/>
If yes:		How much?			<input type="checkbox"/>
4-5		Date the debt was authorized:			<input type="checkbox"/>
If yes:		How much?			<input checked="" type="checkbox"/>
4-6		Does the entity have debt that has been refinanced that it is still responsible for?			<input type="checkbox"/>
If yes:		What is the amount outstanding?			<input type="checkbox"/>
Please answer the following questions by marking the appropriate boxes.					
4-7		Does the entity have any lease agreements?			<input checked="" type="checkbox"/>
If yes:		What is being leased?			<input type="checkbox"/>
		office space			
		7/2/2002			
		month to month			
		5,000.00			
		\$			

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	Checking accounts	\$ 13,251	\$ 13,251	
5-2	Savings accounts	\$ 15,136	\$ 15,136	
5-3	Certificates of deposit	\$ 5,000	\$ 5,000	
Total Cash Deposits		\$ 33,387	\$ 33,387	
Investments (if investment is a mutual fund, please list underlying investments):				
5-4	COLOTRUST	\$ 19,939	\$ 19,939	
5-5		\$ -	\$ -	
5-6		\$ -	\$ -	
5-7		\$ -	\$ -	
Total Investments		\$ 19,939	\$ 19,939	
Total Cash and Investments		\$ 53,326	\$ 53,326	
Please answer the following question by marking in the appropriate box				
5-8		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, please explain:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

PART 6 - CAPITAL ASSETS

6-1 Please answer the following questions by marking in the appropriate boxes.

6-1 Does the entity have capital assets? Yes No

If yes: Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, please explain: X

6-2 Complete the following table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ 6,800	\$ -	\$ -	\$ 6,800
Infrastructure	\$ 14,350	\$ -	\$ -	\$ 14,350
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ (10,575)	\$ -	\$ -	\$ (10,575)
Total	\$ 10,575	\$ -	\$ -	\$ 10,575

6-3 Complete the following 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	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

PART 7 - PENSION INFORMATION

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

7-1 Does the entity have an "old time" firemen's pension plan? Yes No

7-2 If yes: Who administers the plan? X

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? \$ -

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 2013 budget with the Department of Local Affairs? If no, please explain: Yes No Please use this space to provide any explanations or comments:

8-2 Did the entity pass an appropriations resolution? In no, please explain: Yes No

If yes: Please indicate the amount appropriated for each fund for 2013:

Fund Name	Budgeted 2013 Expenditures
General Fund	\$ 319,907
	\$ -
	\$ -

PART 9 - TAX PAYER'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))?
 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.

Yes No Please use this space to provide any explanations or comments:

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?
 If yes: Date of formation: Yes No Please use this space to provide any explanations or comments:

10-2 Has the entity changed its name in the past or current year?
 If Yes: Please list the NEW name & PRIOR name: Yes No

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

10-4 Please indicate what services the entity provides:
 manage groundwater resources of the Upper Black Squirrel Creek designated ground water basin Yes No

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: Yes No


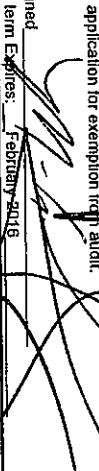
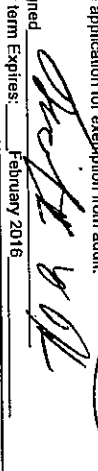
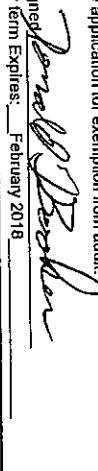
10-6 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9-3) and 32-1-104 (3), C.R.S.)
 If yes: Date Filed: Yes No

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

PART 11 - GOVERNING BODY APPROVAL

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 board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audits has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$500,000 or less must have an application prepared by a person skilled in 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 1	Print Board Members Name J.R. Bond Signed  My term Expires: February 2018 I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: <u>3-4-14</u>
Board Member 2	Print Board Members Name Mick Stine Signed _____ My term Expires: February 2018 I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: <u>3-4-14</u>
Board Member 3	Print Board Members Name Mark Greeley Signed  My term Expires: February 2018 I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: <u>3/4/2014</u>
Board Member 4	Print Board Members Name Timothy Hunker Signed  My term Expires: February 2016 I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: <u>3/4/14</u>
Board Member 5	Print Board Members Name Donald Booker Signed  My term Expires: February 2018 I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: <u>3-4-14</u>
Board Member 6	Print Board Members Name _____ Signed _____ My term Expires: _____ I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: _____
Board Member 7	Print Board Members Name _____ Signed _____ My term Expires: _____ I attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Date: _____