

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Aspen Trails Metropolitan District	For the Year Ended 12/31/16 or fiscal year ended:
ADDRESS	#1 Tew Creek Drive Durango, CO 81301	
CONTACT PERSON	Brad Fuhrman	1003.03
PHONE	212-444-8617	
EMAIL	info@aspentrailsmd.com	
FAX		

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:	Todd Beckstead
TITLE	Owner
FIRM NAME (if applicable)	Beckstead & Co., LLC
ADDRESS	566 S Asbury Ct., Grand Junction, CO 81504
PHONE	970-462-7707
DATE PREPARED (Must be prepared prior to Board approval)	3/8/2017

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)



RECEIVED

By Justin L. Smith at 11:52 am, Mar 29, 2017

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	Property	\$ 29,426	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 2,644	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernment Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ 527	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ 8,046	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ 44,592	
2-13	Investment income	\$ 66	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4 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): Miscellaneous	\$ 444	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 85,745	

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	\$ 2,537	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 2,476	
3-7	Accounting and legal fees	\$ 5,827	
3-8	Repair and maintenance	\$ 38,313	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ 5,705	
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)	\$ 10,491	
3-18	Debt service interest	\$ 5,549	
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): Trash removal	\$ 5,113	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 75,811	

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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-2	Is the debt repayment schedule attached? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts (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	\$ 101,810	\$ -	\$ 10,491	\$ 91,319
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 101,810	\$ -	\$ 10,491	\$ 91,319
	Please answer the following questions by marking the appropriate boxes.			Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
If yes:	How much?	\$ -			
	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"/>		
	What are the annual lease payments?	\$ -			
4-9	Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
If yes:	Please provide the following mills levied for the year reported:	Bond Redemption			6.11
		General/Other			5.00
		TOTAL			11.11

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	\$ 115,322	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 115,322
	Investments (if investment is a mutual fund, please list underlying investments):		
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ 115,322

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 24-76-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>

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

		Balance - beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
6-3	Complete the following capital assets table:				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain): Infrastructure roads (modified approach)	\$ 177,698	\$ -	\$ -	\$ 177,698
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 177,698	\$ -	\$ -	\$ 177,698

Please use this space to provide any explanations or comments:

The District uses the modified approach for accounting for infrastructure roads. Therefore, no depreciation / accumulated depreciation is reported.

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's 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?	\$ -

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 for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 71,193
Capital Improvement Fund	\$ 13,000
Debt Service Fund	\$ 16,040

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))?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date of formation:

10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Please list the NEW name & PRIOR name:

10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Please indicate what services the entity provides:

Road improvement and maintenance. Trash service.

10-4	Does the entity have an agreement with another government to provide services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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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 (9.8) and 32-1-104 (8), C.R.S.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date Filed:

Please use this space to provide any explanations or comments:

Aspen Trails Metro District
 2016 Debt Amortization Schedule
 Aspen Trails Metro District GO Bonds, Series 2004

Costs Funded Interest Rate
 \$200,000 5.45%

Total Payment	Interest Due	Principal Due	Balance after payment	Payment Due Date
			200,000.00	
16,039.62	2,967.22	13,072.40	186,927.60	7/15/2004
16,039.62	10,187.55	5,852.07	181,075.53	7/15/2005
16,039.62	9,868.62	6,171.00	174,904.53	7/15/2006
16,039.62	9,532.40	6,507.22	168,397.31	7/15/2007
16,039.62	9,177.65	6,861.97	161,535.34	7/19/2008
16,039.62	8,803.67	7,235.95	154,299.39	7/20/2009
16,039.62	8,409.31	7,630.31	146,669.08	7/21/2010
16,039.62	7,993.46	8,046.16	138,622.92	7/21/2011
16,039.62	7,554.95	8,484.67	130,138.25	7/21/2012
16,039.62	7,092.53	8,947.09	121,191.16	7/21/2013
16,039.62	6,604.92	9,434.70	111,756.46	7/25/2014
16,039.62	6,090.72	9,948.90	101,807.56	7/26/2015
16,039.62	5,548.51	10,491.11	91,316.45	7/27/2016
16,039.62	4,976.74	11,062.88	80,253.57	7/28/2017
16,039.62	4,373.82	11,665.80	68,587.77	7/29/2018
16,039.62	3,738.03	12,301.59	56,286.18	7/30/2019
16,039.62	3,067.60	12,972.02	43,314.16	7/31/2020
16,039.62	2,360.62	13,679.00	29,635.16	8/1/2021
16,039.62	1,615.11	14,424.51	15,210.65	8/2/2022
16,039.62	828.98	15,210.64	0.01	8/3/2023

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 Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 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 Member's Name Corbet Hoover	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 _____ ABSENT Date: _____ My term Expires: _____
Board Member 2	Print Board Member's Name Jonathan Aaron Ball	I Jonathan Aaron Ball , 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: 3/15/2017 My term Expires: 2018
Board Member 3	Print Board Member's Name Bill Hestford	I Bill Hestford , 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: 3/15/19 My term Expires: 2018
Board Member 4	Print Board Member's Name Eric Emerson	I Eric Emerson , 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: 3/15/17 My term Expires: 2018
Board Member 5	Print Board Member's Name Brad Fuhrman	I Brad Fuhrman , 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: 3/15/17 My term Expires: 2018
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: _____

**Original Signatures
Verified by**

Justin L. Smith



Beckstead & Co. LLC

Beckstead & Co., LLC
566 S. Asbury Ct. Grand Junction, CO 81504 (970) 462-7707 (970) 462-7709 (fax)
www.becksteadcpa.com

March 8, 2017

Board of Directors
Aspen Trails Metropolitan District
Durango, CO

Management is responsible for the accompanying Application For Exemption From Audit – Short Form of Aspen Trails Metropolitan District as of December 31, 2016, included in the accompanying prescribed form by the Colorado State Auditor. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the Application For Exemption From Audit – Short Form included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the Application For Exemption From Audit – Short Form.

The Application For Exemption From Audit – Short Form included in the accompanying prescribed form is intended to comply with the requirements of the Colorado State Auditor, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of Aspen Trails Metropolitan District and the Colorado State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

 & Co., LLC



March 20, 2016

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

To the Office of the State Auditor:

Aspen Trails Metropolitan District (ATMD) would like to apply for an exemption from audit for the year ended December 31, 2016. Enclosed please find ATMD's 2016 Application for Exemption from Audit, which was prepared by an independent accountant with knowledge of governmental accounting.

Additionally, ATMD was asked to respond to potential deficiencies and other issues in our prior year's application. Enclosed is a letter that responds to each of the issues identified by the Office of the State Auditor.

Please don't hesitate to contact me or other ATMD Board representatives if you have any questions regarding our application.

Thank you,

Brad Fuhrman
Treasurer, ATMD Board of Directors





March 20, 2016

Dear State Auditor,

This letter is in response to your letter dated May 26, 2016, reference # 1003.03, to the Aspen Trails Metropolitan District ("ATMD" or "District"). This letter provides ATMD's responses and actions relative to the issues you noted in ATMD's December 31, 2015 Application for Exemption from Audit.

ATMD Background Information

ATMD includes about 150 land parcels, with roughly 100 residents/owners. ATMD was formed in 2003 with the primary purpose of maintaining and improving District roads. Budget funding is used primarily for snow removal in the winter and road maintenance/improvement in the summer. ATMD's service plan also permits limited park and recreation services funded through grants/donations.

Unofficially, ATMD also coordinates collection/payment for trash service in the District, which is provided by WCA Waste Management. ATMD's involvement is due to notice from WCA that, beginning in 2015, they would no longer bill individual resident accounts for our District. ATMD separately tracks all trash related collections and payments. Our goal is to perform this function at a "net zero" rate, meaning we intend to collect only what is necessary based on corresponding trash rates and resident participation. Our trash fee is adjusted annually to accommodate this balance between collections and expenditures.

ATMDs operational processes and systems are not highly sophisticated. We typically have to recruit individuals to participate in roles as members of the ATMD Board of Directors, as there is not high demand from residents to volunteer to perform in these roles. Since our inception, a limited number of residents have performed as directors and maintained much of the knowledge related to District processes and compliance requirements. In recent years, many of those residents/directors left the District, so the Board has been working to better educate new members and develop sustainable compliance processes. This recent turnover in District residents/directors is a key driver for the issues noted in your letter.

Response to Issues Noted by State Auditor

We noted three primary issues identified in your letter. Our responses are organized related to each issue.

Issue #1 - "Part 6 – Capital Assets" - ATMD reported a beginning balance in infrastructure capital assets in 2015, but did not report an ending balance in infrastructure capital assets for 2014.

This balance relates to major road infrastructure improvements dating back to 2004. Historically, ATMD has used the "modified approach" for infrastructure assets. ATMD believes the roads are maintained generally close to or within an acceptable range of this original condition, with any potential depreciation being offset by ongoing, standard maintenance/improvements. As such, this infrastructure balance has remained at a generally consistent level since development in 2004.

In discussing this matter with our independent CPA, ATMD has typically used the "short form" exemption application, which did not have a specific line item for infrastructure assets. This appears to be why our current independent CPA, as well predecessor CPAs, have not reported the balance previously. Last year, the "long form" included such a specific line item and our CPA reported the balance on that form. ATMD will continue to report our infrastructure capital assets going forward. On this year's form, we've identified such assets within the "other (explain)" line item.





Issue # 2 – Expenditures exceeded amounts budgeted and appropriated for the current year in the General Fund.

ATMD gained access to unforeseen grant funding in 2015, so the Board approved additional road maintenance and spending in conjunction with such grant funding. However, the Board did not appropriately amend and supplement the 2015 budget, as required by Local Government Budget Law.

To correct this issue, albeit after the fact, the Board took all required steps that should have been performed prior to any such spending. The Board published in the Durango Herald a public notice of hearings related to an amended and supplemented budget for 2015. After providing due public notice, the Board discussed these amendments and supplements in an open public meeting on November 16, 2016, where the Board reviewed, discussed and approved the amended and supplemented budget, along with all required and related resolutions. Again, while these actions were after the fact, the Board ultimately performed all necessary steps and notifications to ensure an accurate, complete and transparent public record.

Issue # 3 – The State Auditor was unable to confirm current board member information with the Department of Local Affairs (DOLA).

Due to recent turnover in Board membership, ATMD failed to meet certain compliance requirements in a timely manner. This included submitting to DOLA the required information about ATMD Directors, as well as updating ATMD's Transparency Notice with current information. As such, the (one) duly elected and (four) appointed directors listed on last year's application were not appropriately updated with DOLA nor in the ATMD Transparency Notice.

In open public meetings during spring/summer of 2016, a duly elected ATMD director re-certified and appointed all other Directors. This information and related documentation was submitted to DOLA and updated in the ATMD Transparency Notice. While some of these actions may have been duplicative and after the fact, the intention was to ensure the accuracy, completeness and transparency of ATMD's public record. You'll note that three of the five members listed on the 2015 Exemption Application, including all three who signed the document, are currently and appropriately listed as Directors with DOLA and in the ATMD Transparency Notice.

Corrective and Preventative Actions

ATMD has taken corrective and preventative actions to address the root causes associated with the issues noted in your letter dated May 26, 2016. All Board members have been better educated on necessary compliance and budget requirements for our District. We have developed an internal "compliance calendar/checklist" with necessary descriptions and instructions to ensure that we are meeting all budget and compliance requirements in a timely manner. This checklist, along with a schedule of spending to date vs. budget, is formally reviewed at each regular Board meeting. As applicable based on our ongoing review, ATMD's budget will be appropriately amended/supplemented in accordance with Budget Law

I am the current Treasurer of the ATMD Board of Directors. I was officially appointed and re-certified as an ATMD Director in 2016. I'm a CPA with broad experience in regulatory compliance matters and will lead our efforts to develop and maintain a sustainable infrastructure to prevent such compliance issues in the future. Please don't hesitate to contact me or other Board members with additional questions.

Thank you,

Brad Fuhrman
Treasurer, ATMD Board of Directors

