

# APPLICATION FOR EXEMPTION FROM AUDIT

## LONG FORM

NAME OF GOVERNMENT	Grand Mesa Metropolitan District #2	For the Year Ended 12/31/2016 or fiscal year ended:
ADDRESS	PO Box 485 Mesa, CO 81643	
CONTACT PERSON	Sheila Dole	
PHONE	970-268-5040	
EMAIL	grandmesametro@aol.com	
FAX		

### 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. I am aware that 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 \$750,000, and that independent means someone who is separate from the entity.

NAME:	Lisa Hemann
TITLE	Principal
FIRM NAME (if applicable)	Chadwick, Steinkirchner, Davis & Co., P.C.
ADDRESS	225 N. 5th Street, Suite 401, Grand Junction, CO 81501
PHONE	970-245-3000
DATE PREPARED <small>(Must be Completed prior to Board approval)</small>	3/8/2017
RELATIONSHIP TO ENTITY	Independent accountant

#### PREPARER (SIGNATURE REQUIRED)

*Lisa Hemann For: Chadwick, Steinkirchner, Davis & Co., P.C.*

Has the entity filed for, or 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.]	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="padding: 2px;">YES</th> <th style="padding: 2px;">NO</th> </tr> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> </tr> </table>	YES	NO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If Yes, date filed:
YES	NO					
<input type="checkbox"/>	<input checked="" type="checkbox"/>					



**RECEIVED**  
By Justin L. Smith at 8:25 am, Mar 28, 2017

## PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Fund*		Fund*	Fund*	
	<b>Assets</b>			<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ 460,312	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ 212,084	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ 1,442	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets (specify)			Other Current Assets	\$ -	\$ -	
1-5	Prepaid Insurance	\$ 5,974	\$ -	<b>Total Current Assets</b>	\$ -	\$ -	
1-6	Inventory - Water Taps	\$ 133,000	\$ -	Capital Assets, net (from Part	\$ -	\$ -	
1-7		\$ -	\$ -	Other Long Term Assets (specify)	\$ -	\$ -	
1-8		\$ -	\$ -		\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ 812,812	\$ -	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ -	\$ -	
1-12	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	
1-13	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 812,812	\$ -	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -	
	<b>Liabilities</b>			<b>Liabilities</b>			
1-14	Accounts Payable	\$ 13,667	\$ -	Accounts Payable	\$ -	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	<b>TOTAL CURRENT LIABILITIES</b>	\$ 13,667	\$ -	<b>TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -	
1-20	All Other Liabilities (specify)	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-21		\$ -	\$ -	Other Liabilities (specify)	\$ -	\$ -	
1-22		\$ -	\$ -		\$ -	\$ -	
1-23		\$ -	\$ -		\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27		\$ -	\$ -		\$ -	\$ -	
1-28	<b>(add lines 1-19 through 1-27) TOTAL LIABILITIES</b>	\$ 13,667	\$ -	<b>(add lines 1-19 through 1-27) TOTAL LIABILITIES</b>	\$ -	\$ -	
1-29	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ 188,515	\$ -	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	\$ -	\$ -	
	<b>Fund Balance</b>			<b>Net Position</b>			
1-30	Nonspendable Prepaid	\$ 5,974	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-31	Nonspendable Inventory	\$ 133,000	\$ -		\$ -	\$ -	
1-32	Restricted (specify): TABOR Emergency Reserve	\$ 14,500	\$ -	Emergency Reserves	\$ -	\$ -	
1-33	Committed: (specify)	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned for 2017 budgeted expenditures	\$ 59,657	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ 397,499	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-36	<b>Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE</b>	\$ 610,630	\$ -	<b>Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION</b>	\$ -	\$ -	
1-37	<b>Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ 812,812	\$ -	<b>Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ -	\$ -	

**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Fund*		Fund*	Fund*	
	Tax Revenue			Tax Revenue			
2-1	Property	\$ 137,582	\$ -	Property	\$ -	\$ -	
2-2	Specific Ownership	\$ 17,589	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue (specify):	\$ -	\$ -	Other Tax Revenue (specify):	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ 155,171	\$ -	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ 46,777	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ 110,545	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 549	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-22	All Other (specify):	\$ -	\$ -	All Other (specify):	\$ -	\$ -	
2-23	Miscellaneous Income	\$ 1,540	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ 314,582	\$ -	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	
	Other Financing Sources			Other Financing Sources			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-27	Other (specify):	\$ -	\$ -	Other (specify):	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 314,582	\$ -	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	\$ 314,582

**IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

**PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Fund*		Fund*	Fund*	
	<b>Expenditures</b>			<b>Expenditures</b>			
3-1	General Government	\$ 79,652	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ 26,519	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ 13,751	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Other (specify):	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Emergency Medical Services	\$ 14,226	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12	Water/ Sewer/ Cable	\$ 217,888	\$ -	Other (specify)	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ 82,851	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other (specify):	\$ -	\$ -	All Other (specify):	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21 TOTAL EXPENDITURES</b>	\$ 434,887	\$ -	<b>Add lines 3-1 through 3-21 TOTAL EXPENDITURES</b>	\$ -	\$ -	<b>\$ 434,887</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In)	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ -	\$ -	Net Interfund Transfers Out	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -	<b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ (120,305)	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 730,935	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 This total should be the same as line 1-36.	\$ 610,630	\$ -	Net Position, December 31 Line 3-30 plus line 3-31 This total should be the same as line 1-36.	\$ -	\$ -	

**IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

## 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"/>	
4-2	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)	Outstanding at beginning of year	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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	0.00		
	General/Other	50.37		
	<b>TOTAL</b>	<b>50.37</b>		

## 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	YEAR-END Total of ALL Checking and Savings accounts	\$ 460,312		
5-2	Certificates of deposit	\$ -		
	<b>TOTAL CASH DEPOSITS</b>		<b>\$ 460,312</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>\$ 460,312</b>	

Please answer the following question by marking in the appropriate box

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 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.)? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:	
6-1	Does the entity have capitalized assets?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Beginning capital assets were adjusted for the elimination of \$800,000 worth of easements and \$100,000 worth of water rights during the year ended December 31, 2016. The Board passed a resolution (No. 2001-001) on April 26, 2001 to vacate and abandon any interest in the easement. This was not recognized in the accounting records or financial statements in the year that it was approved and has been removed as of January 1, 2016. Through research performed by the District it was determined that the District did not own water rights with a value of \$100,000. The capital assets have been adjusted to reflect that there were no water rights owned by the District at January 1, 2016.
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"/>		
6-3	Complete the following Capital Assets table for GOVERNMENTAL FUNDS:				
		Balance - beginning of the year	Additions	Deletions	Year-End Balance
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ 11,730	\$ -	\$ -	\$ 11,730
	Machinery and equipment	\$ 62,616	\$ -	\$ -	\$ 62,616
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ 239,355	\$ 48,714	\$ -	\$ 288,069
	Construction In Progress (CIP)	\$ 24,131	\$ 34,137	\$ -	\$ 58,268
	Other (explain):	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (106,443)	\$ (31,825)	\$ -	\$ (138,268)
	<b>TOTAL</b>	\$ 231,389	\$ 51,026	\$ -	\$ 282,415
6-4	Complete the following Capital Assets 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 (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

## PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
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.):	\$ -		
	<b>TOTAL</b>	\$ -		
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -		

## PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	N/A	
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Please use this space to provide any explanations or comments:
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	\$	342,858	
			\$	-	
			\$	-	
			\$	-	

## PART 9 - TAX PAYER'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"/>	Please use this space to provide any explanations or comments:
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.				

## PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	
10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Please use this space to provide any explanations or comments:
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"/>	
If Yes: NEW name				
PRIOR name				
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10-4	Please indicate what services the entity provides: Water, sewer, trash, cable, road maintenance			
10-5	Does the entity have an agreement with another government to provide services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes: List the name of the other governmental entity and the services provided:				

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

## OSA USE ONLY

	General Fund	Governmental Funds	Enterprise Funds	Notes
<b>Entity Wide:</b>				
Unrestricted Cash & Investments	\$ 460,312	Unrestricted Fund Balan \$ 457,156	Total Tax Revenue \$ 155,171	
Current Liabilities	\$ 13,867	Total Fund Balance \$ 610,630	Revenue Paying Debt Service \$ -	
Deferred Inflow	\$ 188,515	PY Fund Balance \$ 730,935	Total Revenue \$ 314,582	
		Total Revenue \$ 314,582	Total Debt Service Principal \$ -	
		Total Expenditures \$ 434,887	Total Debt Service Interest \$ -	
<b>Governmental</b>		Interfund In \$ -	<b>Enterprise Funds</b>	
Total Cash & Investments	\$ 460,312	Interfund Out \$ -	Net Position \$ -	
Transfers In	\$ -	- Proprietary	- PY Net Position \$ -	
Transfers Out	\$ -	- Current Assets \$ -	<b>Government-Wide</b>	
Property Tax	\$ 137,582	- Deferred Outflow \$ -	- Total Outstanding Debt \$ -	
Debt Service Principal	\$ -	- Current Liabilities \$ -	- Authorized but Unissued \$ -	
Total Expenditures	\$ 434,887	- Deferred Inflow \$ -	- Year Authorized \$ -	
Total Developer Advances	\$ -	- Cash & Investments \$ -		
Total Developer Repayments	\$ -	- Principal Expense \$ -		

## PART 12 - 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 \$750,000 or less must have an application prepared by an independent accountant with knowledge of 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.**

	Print Board Member's Name	
Board Member 1	Sheila Dole	I, <u>SHEILA DOLE</u> , attest that 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>Sheila Dole</u> Date: <u>3-10-17</u> My term Expires: <u>2018</u>
Board Member 2	Ben Nichols, Jr.	I, <u>Ben Nichols Jr</u> , attest that 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>Ben Nichols Jr</u> Date: <u>3/10/17</u> My term Expires: _____
Board Member 3	Dorothy Crowe	I, <u>Dorothy CROWE</u> , attest that 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>Dorothy Crowe</u> Date: <u>3-10-17</u> My term Expires: <u>2020</u>
Board Member 4	Jack Acuff	I, <u>Jack Acuff</u> , attest that 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>Jack Acuff</u> Date: <u>3-10-17</u> My term Expires: <u>2020</u>
Board Member 5	Andy Daly	I, <u>ANDREW DALY</u> , attest that 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>Andy Daly</u> Date: <u>3/10/2017</u> My term Expires: <u>2018</u>
Board Member 6		I, _____, attest that 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		I, _____, attest that 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: _____

**RESOLUTION FOR EXEMPTION FROM AUDIT**

A RESOLUTION APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2016 FOR THE GRAND MESA METROPOLITAN DISTRICT #2, STATE OF COLORADO.

WHEREAS, the Board of Directors of Grand Mesa Metropolitan District #2 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 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 revenues nor expenditures for Grand Mesa Metropolitan District #2 exceeded \$750,000 for fiscal year 2016; and


WHEREAS, an application for exemption from audit for Grand Mesa Metropolitan District #2 has been prepared by Chadwick, Steinkirchner, Davis & Co., P.C., an independent accountant with knowledge of governmental accounting; and

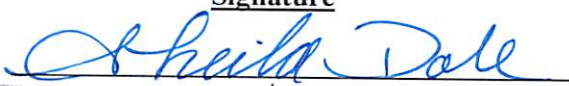
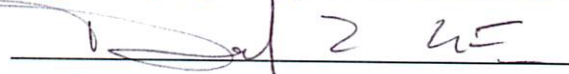

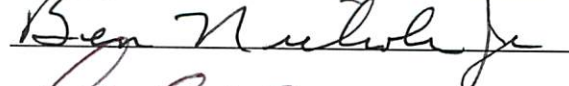

WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the state auditor.

NOW THEREFORE, be it resolved by the Board of Directors of the Grand Mesa Metropolitan District #2 that the application for exemption from audit for Grand Mesa Metropolitan District #2 for the fiscal year ended December 31, 2016, has been personally reviewed and is hereby approved by a majority of the Board of Directors of the Grand Mesa Metropolitan District #2; 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 Grand Mesa Metropolitan District #2 for the fiscal year ended December 31, 2016.

ATTEST: Date: March 10, 2017

  
Board President

  
Vice-President

<u>Members of Board of Directors</u>	<u>Date Term Expires</u>	<u>Signature</u>
Sheila Dole	2018	
Dorothy Crowe	2020	
Jack Acuff	2020	
Ben Nichols, Jr.	2018	
Andy Daly	2018	



## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

March 8, 2017

Board of Directors  
Grand Mesa Metropolitan District #2  
Mesa, Colorado

We have compiled the balance sheet of Grand Mesa Metropolitan District #2 (a government), as of December 31, 2016 and the related operating statement and supplemental information for the year then ended included in the accompanying prescribed form. We have not audited or reviewed the financial statements and supplemental information 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 and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplemental information are in accordance with the form prescribed by the Colorado Local Government Audit Division.

Management is responsible for the preparation and fair presentation of the financial statements and supplemental information included in the form prescribed by the Colorado Local Government Audit Division and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplemental information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplemental information.

These financial statements and supplemental information included in the accompanying prescribed form are presented in accordance with the requirements of the Colorado Local Government Audit Division, and are 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 the Colorado Local Government Audit Division and is not intended to be and should not be used by anyone other than this specified party.

*Chadwick, Steinkirchner, Davis & Co., P.C.*