

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT **Sterling Ranch Colorado Metropolitan District No. 3**  
ADDRESS **8390 E Crescent Parkway  
Suite 500  
Greenwood Village, CO 80111**  
CONTACT PERSON **Jason Carroll**  
PHONE **303-779-5710**  
EMAIL **Jason.Carroll@claconnect.com**  
FAX **303-779-0348**

For the Year Ended  
12/31/16  
or fiscal year ended:

12/14/03

### 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: Jason Carroll  
TITLE: Accountant for the District  
FIRM NAME (if applicable): CliftonLarsonAllen LLP  
ADDRESS: 8390 E Crescent Parkway Suite 500 Greenwood Village, CO 80111  
PHONE: 303-779-5710  
DATE PREPARED: 2/27/2017  
(Must be prepared prior to Board approval)

### PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

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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**RECEIVED**

By Justin L. Smith at 8:55 am, Apr 04, 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	Ta Property	\$ -	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
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):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

## 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	\$ -	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	\$ -	
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	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
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):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ -	

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?  Yes                       No

If Yes, please attach a copy of the entity's Debt Repayment Schedule.

**4-2** Is the debt repayment schedule attached? If no, MUST explain:  
N/A  Yes                       No

**4-3** Is the entity current in its debt service payments? If no, MUST explain:  
The District has no outstanding debt.  Yes                       No

4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount 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	\$ -	\$ -	\$ -	\$ -
	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?  Yes                       No

If yes: How much? \$ 21,600,000,000.00  
Date the debt was authorized: 11/5/2013

**4-6** Does the entity intend to issue debt within the next calendar year?  Yes                       No

If yes: How much? \$ -

**4-7** Does the entity have debt that has been refinanced that it is still responsible for?  Yes                       No

If yes: What is the amount outstanding? \$ -

**4-8** Does the entity have any lease agreements?  Yes                       No

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?  Yes                       No  
What are the annual lease payments? \$ -

**4-9** Does the entity have a certified Mill Levy?  Yes                       No

If yes: Please provide the following mills levied for the year reported:

Bond Redemption			-
General/Other			-
<b>TOTAL</b>			-

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 \$ -

**5-2** Certificates of deposit \$ -

**Total Cash Deposits** \$ -

Investments (if investment is a mutual fund, please list underlying investments):

<b>5-3</b>		\$ -		
		\$ -		
		\$ -		
		\$ -		
		\$ -		

**Total Investments** \$ -

**Total Cash and Investments** \$ -

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.?  Yes                       No                       N/A

**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.)?  Yes                       No                       N/A

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
<b>6-1</b>	Does the entity have capital assets?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6-2</b>	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: The District has no capital assets.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

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

		Yes	No
<b>7-1</b>	Does the entity have an "old hire" firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7-2</b>	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>	<b>\$ -</b>	
	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
<b>8-1</b>	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"/>
<b>8-2</b>	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	\$ -

## 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 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?



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 & PRIOR name:

**10-3**

Is the entity a metropolitan district?



Please indicate what services the entity provides:

Streets, water, storm drainage, sanitation, parks and recreation, transportation, mosquito control, television translation and relay, fire protection, safety protection, and covenant enforcement.

**10-4**

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:

Please see below.

**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 (9.3) and 32-1-104 (3), C.R.S.]



If yes: Date Filed:

**Please use this space to provide any explanations or comments:**

The District operates in conjunction with Sterling Ranch Colorado Metropolitan District Nos. 1-2, 4-7 and Sterling Ranch Community Authority Board (CAB). District Nos. 1-7 are the Taxing Districts and CAB is the Operating Authority.

## 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.

<b>Board Member 1</b>	<b>Print Board Member's Name</b> Diane H. Smethills	I, Diane H. Smethills, 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: <u><i>Diane H. Smethills</i></u> Date: <u>3-2-17</u> My term Expires: May 2018
<b>Board Member 2</b>	<b>Print Board Member's Name</b> James L. Yates	I, James L. Yates, 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: <u><i>J. Yates</i></u> Date: <u>3-4-17</u> My term Expires: May 2020
<b>Board Member 3</b>	<b>Print Board Member's Name</b> Harold R. Smethills	I, Harold R. Smethills, 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: <u><i>H. R. Smethills</i></u> Date: <u>3-2-2017</u> My term Expires: May 2020
<b>Board Member 4</b>	<b>Print Board Member's Name</b>	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: _____
<b>Board Member 5</b>	<b>Print Board Member's Name</b>	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: _____
<b>Board Member 6</b>	<b>Print Board Member's Name</b>	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: _____
<b>Board Member 7</b>	<b>Print Board Member's Name</b>	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





CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.CLACconnect.com

## Accountant's Compilation Report

Board of Directors  
Sterling Ranch Colorado Metropolitan District No. 3  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Sterling Ranch Colorado Metropolitan District No. 3 as of and for the year ended December 31, 2016, included in the accompanying prescribed form. 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 American Institute of Certified Public Accountants. We did not audit or review the financial statements 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 financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Sterling Ranch Colorado Metropolitan District No. 3.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
February 27, 2017