

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT** The Lakes Metropolitan District No. 2  
**ADDRESS** 200 W. Hampden Ave., Suite 201  
Englewood, CO 80110

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

**CONTACT PERSON** Erka Voiling  
**PHONE** 303.346.6437 x300  
**EMAIL** erka@vhlco.com  
**FAX** 303.346.6438

### 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:** Sheri M. Payne  
**TITLE:** Certified Public Accountant  
**FIRM NAME (if applicable):** SMP LLC  
**ADDRESS:** 28033 Fawn Drive, Conifer, CO 80433  
**PHONE:** 720-981-7176  
**DATE PREPARED**  
(Must be prepared prior to Board approval) 3/27/2017

**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)



**E**

**RECEIVED**

By Justin L. Smith at 3:49 pm, 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	Tra Property	\$	-	2	
2-2	Specific ownership	\$	-		
2-3	Sales and use	\$	-		
2-4	Other (specify):	\$	-		
2-5	Licenses and permits	\$	-		
2-6	Intergovernment 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	\$	2		

## 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	
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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2	Is the debt repayment schedule attached? If no, MUST explain:	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3	Is the entity current in its debt service payments? If no, MUST explain: N/A	<input type="checkbox"/>	<input type="checkbox"/>		
Please complete the following debt schedule, if applicable: (please only include principal amounts) (enter all amount as positive numbers)					
4-4		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:					
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
If yes:	How much? \$ 80,000,000.00				
	Date the debt was authorized: 1/9/2007				
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		-		
	General/Other		48.00		
	<b>TOTAL</b>		<b>48.00</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	\$ 2		
5-2	Certificates of deposit	\$ -		
	<b>Total Cash Deposits</b>		<b>\$ 2</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>\$ 2</b>	
Please answer the following questions by marking in the appropriate boxes				
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.)?	<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 type="checkbox"/>	<input checked="" 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: None	<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>	\$ -	\$ -	\$ -	\$ -
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
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?	\$ -	
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	\$ -
Capital Projects	\$ -

## 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"/>

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:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-2	Has the entity changed its name in the past or current year? If yes: Please list the NEW name & PRIOR name:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-3	Is the entity a metropolitan district? Please indicate what services the entity provides:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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. The Lakes MD 1 and 3-4 concerning capital improv, operations and maintenance.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Please use this space to provide any explanations or comments:</b>			

# PART 11 - GOVERNING BODY APPROVAL

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>	<p><b>Print Board Member's Name</b></p> <p style="text-align: center;">Michael A. Richardson</p>	<p>I <u>Michael A. Richardson</u>, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.</p> <p>Signed: <u></u></p> <p>Date: <u>3/28/17</u></p> <p>My term Expires: May 2018</p>
<b>Board Member 2</b>	<p><b>Print Board Member's Name</b></p> <p style="text-align: center;">Florine T, Richardson</p>	<p>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.</p> <p>Signed: _____</p> <p>Date: _____</p> <p>My term Expires: May 2018</p>
<b>Board Member 3</b>	<p><b>Print Board Member's Name</b></p> <p style="text-align: center;">Paula J. Lindamood</p>	<p>I <u>Paula J. Lindamood</u>, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.</p> <p>Signed: <u>Paula J. Lindamood</u></p> <p>Date: <u>3/28/17</u></p> <p>My term Expires: May 2018</p>
<b>Board Member 4</b>	<p><b>Print Board Member's Name</b></p> <p style="text-align: center;">Erika Volling</p>	<p>I <u>Erika Volling</u>, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.</p> <p>Signed: <u>Erika Volling</u></p> <p>Date: <u>3.28.17</u></p> <p>My term Expires: May 2020</p>
<b>Board Member 5</b>	<p><b>Print Board Member's Name</b></p> <p style="text-align: center;">Vacant</p>	<p>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.</p> <p>Signed: _____</p> <p>Date: _____</p> <p>My term Expires: May 2020</p>
<b>Board Member 6</b>	<p><b>Print Board Member's Name</b></p>	<p>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.</p> <p>Signed: _____</p> <p>Date: _____</p> <p>My term Expires: _____</p>
<b>Board Member 7</b>	<p><b>Print Board Member's Name</b></p>	<p>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.</p> <p>Signed: _____</p> <p>Date: _____</p> <p>My term Expires: _____</p>

Resolution No. 2017-03-001  
Resolution/Ordinance for Exemption From Audit  
(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 2016 FOR THE LAKES METROPOLITAN DISTRICT NO. 2, IN THE STATE OF COLORADO.

WHEREAS, the Board of Directors of the Lakes Metropolitan District No. 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. state 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 provisions of Section 29-1-603, C.R.S.; and

WHEREAS, neither revenues nor expenditures for Lakes Metropolitan District No. 2 exceeded \$750,000 for fiscal year 2016; and

WHEREAS, an application for exemption from audit for Lakes Metropolitan District No. 2 has been prepared by Sheri M. Payne, CPA, an independent accountant with knowledge of governmental accounting; and

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

NOW THEREFORE, be it resolved/ordained by the Board of Directors of the Lakes Metropolitan District No. 2 that the applications for exemption from audit for Lakes Metropolitan District No. 2 for the fiscal year ended December 31, 2016, have been reviewed and are hereby approved by a majority of the Board of Directors of the Lakes Metropolitan District No. 2; that those members have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of the applications for exemption from audit of the Lakes Metropolitan District No. 2 for the fiscal year ended December 31, 2016.

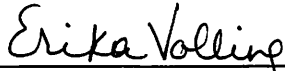
RESOLUTION APPROVED AND ADOPTED THIS 28<sup>th</sup> day of March, 2017.

Lakes Metropolitan District No. 2


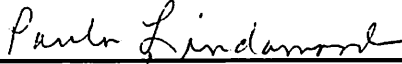
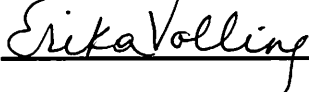


Michael Richardson, President

ATTEST:



Erika Volling, Secretary/Treasurer

Name of Member	Term Expires	Signature
Michael A. Richardson	5/18	
Florine Richardson	5/18	_____
Paula Lindamood	5/20	
Erika Volling	5/18	
Vacant	5/20	_____