

**APPLICATION FOR EXEMPTION FROM AUDIT
LONG FORM**

NAME OF GOVERNMENT

Grand Mesa Metropolitan District #2

ADDRESS

PO Box 485
Mesa, CO 81643

For the Year Ended
12/31/2017
or fiscal year ended:

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

3/5/2018

(Must be Completed prior to Board approval)

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.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	



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
		Fund*	Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ 438,821	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ 215,155	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ 2,281	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets (specify)			Other Current Assets	\$ -	\$ -	
1-5	Inventory - Water Taps	\$ 133,000	\$ -				
1-6		\$ -	\$ -	Total Current Assets	\$ -	\$ -	
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -	
1-8		\$ -	\$ -	Other Long Term Assets (specify)	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 789,257	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 789,257	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities				Liabilities			
1-14	Accounts Payable	\$ 55,857	\$ -	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	TOTAL CURRENT LIABILITIES	\$ 55,857	\$ -	TOTAL CURRENT LIABILITIES	\$ -	\$ -	
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	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ 55,857	\$ -	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ -	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 191,708	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
Fund Balance				Net Position			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-31	Nonspendable Inventory	\$ 133,000	\$ -				
1-32	Restricted (specify): Tabor Emergency Reserve	\$ 14,550	\$ -	Emergency Reserves	\$ -	\$ -	
1-33	Committed: (specify)	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned (specify): for 2018 budgeted expenditures	\$ 19,128	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ 375,014	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ 541,692	\$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -	
1-37	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	\$ 789,257	\$ -	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	\$ -	\$ -	

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
		Fund*	Fund*		Fund*	Fund*	
	Tax Revenue			Tax Revenue			
2-1	Property	\$ 187,432	\$ -	Property	\$ -	\$ -	
2-2	Specific Ownership	\$ 28,434	\$ -	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	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 215,866	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	
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	\$ 62,332	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ 104,619	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 396	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-22	All Other (specify): Miscellaneous Income	\$ 658	\$ -	All Other (specify):	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 383,871	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	
	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	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	GRAND TOTALS
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 383,871	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 383,871

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
		Fund*	Fund*		Fund*	Fund*	
	Expenditures			Expenditures			
3-1	General Government	\$ 69,572	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ 26,270	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ 13,427	\$ -	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	\$ 19,346	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12	Water/Sewer	\$ 97,409	\$ -	Other (specify)	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ 226,785	\$ -	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	Add lines 3-1 through 3-21	\$ 452,809	\$ -	Add lines 3-1 through 3-21	\$ -	\$ -	
	TOTAL EXPENDITURES			TOTAL EXPENDITURES	\$ -	\$ -	\$ 452,809
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	(Add lines 3-23 through 3-28)			(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)	\$ -	\$ -	
	TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ (68,938)	\$ -	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	\$ 610,630	\$ -	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.	\$ 541,692	\$ -	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? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

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):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

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
- How much? \$ 500,000
- Date the debt was authorized: 11/6/2017
- 4-6 Does the entity intend to issue debt within the next calendar year? YES NO
- How much? \$ 500,000
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO
- What is the amount outstanding? \$ -
- 4-8 Does the entity have any lease agreements? YES NO
- 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
- Please provide the following mills levied for the year reported (do not enter \$ amounts):
- | | |
|-----------------|--------------|
| Bond Redemption | 0.00 |
| General/Other | 50.37 |
| TOTAL | 50.37 |

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	\$ 438,821		
5-2	Certificates of deposit	\$ -		
TOTAL CASH DEPOSITS			\$ 438,821	
Investments (if investment is a mutual fund, please list underlying investments):				
5-3		\$ -		
		\$ -		
		\$ -		
		\$ -		
TOTAL INVESTMENTS			\$ -	
TOTAL CASH AND INVESTMENTS			\$ 438,821	

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.? 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.)? If no, MUST explain: YES NO N/A

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? YES NO
- 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: YES NO

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	\$ 288,069	\$ 78,462	\$ -	\$ 366,531
Construction In Progress (CIP)	\$ 58,268	\$ 148,322	\$ -	\$ 206,590
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ (138,268)	\$ (30,954)	\$ -	\$ (169,222)
TOTAL	\$ 282,415	\$ 195,830	\$ -	\$ 478,245

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)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

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? YES NO
- 7-2 Does the entity have a volunteer firemen's pension plan? YES NO

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?

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box

YES NO N/A

Please use this space to provide any explanations or comments:

- 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: YES NO N/A
- 8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: YES NO N/A

If yes: Please indicate the amount appropriated for each fund for the year reported

Fund Name	Budgeted Expenditures
General Fund	\$ 1,606,819
	\$ -
	\$ -
	\$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

YES NO

Please use this space to provide any explanations or comments:

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? YES NO
 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

Please use this space to provide any explanations or comments:

- 10-1 Is this application for a newly formed governmental entity? YES NO
 If yes: Date of formation:
- 10-2 Has the entity changed its name in the past or current year? YES NO
 If Yes: NEW name
 PRIOR name
- 10-3 Is the entity a metropolitan district? YES NO
- 10-4 Please indicate what services the entity provides:
- 10-5 Does the entity have an agreement with another government to provide services? YES NO
 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

Entity Wide:	General Fund	Governmental Funds	Enterprise Funds	Notes
Unrestricted Cash & Investments	\$ 438,821	Unrestricted Fund Balan \$ 394,142	Total Tax Revenue \$ 215,866	
Current Liabilities	\$ 55,857	Total Fund Balance \$ 541,692	Revenue Paying Debt Service \$ -	
Deferred Inflow	\$ 191,708	PY Fund Balance \$ 610,630	Total Revenue \$ 383,871	
		Total Revenue \$ 383,871	Total Debt Service Principal \$ -	
		Total Expenditures \$ 452,809	Total Debt Service Interest \$ -	
		Interfund In \$ -		
Governmental			Enterprise Funds	
Total Cash & Investments	\$ 438,821	Interfund Out \$ -	Net Position \$ -	
Transfers In	\$ -	Proprietary	PY Net Position \$ -	
Transfers Out	\$ -	- Current Assets \$ -	Government-Wide	
Property Tax	\$ 187,432	Deferred Outflow \$ -	- Total Outstanding Debt \$ -	
Debt Service Principal	\$ -	- Current Liabilities \$ -	- Authorized but Unissued \$ 500,000	
Total Expenditures	\$ 452,809	Deferred Inflow \$ -	- Year Authorized \$ 43,045	
Total Developer Advances	\$ -	- Cash & Investments \$ -		
Total Developer Repayments	\$ -	- Principal Expense \$ -		

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

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.

Board Member	Print Board Member's Name	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.
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>[Signature]</u> Date: <u>3-27-18</u> My term Expires: <u>2018</u>
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>[Signature]</u> Date: <u>3/27/18</u> My term Expires: <u>2018</u>
3	JACK FURFF	I, <u>JACK FURFF</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>[Signature]</u> Date: <u>3-27-2018</u> My term Expires: <u>2020</u>
4	DOROTHY Z. CROWE	I, <u>DOROTHY Z. 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>[Signature]</u> Date: <u>MARCH 27 2018</u> My term Expires: <u>2020</u>
5	Print Board Member's Name	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: _____
6	Print Board Member's Name	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: _____
7	Print Board Member's Name	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 2017 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

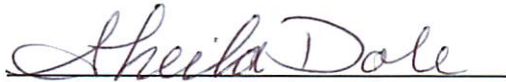
WHEREAS, neither revenues nor expenditures for Grand Mesa Metropolitan District #2 exceeded \$750,000 for fiscal year 2017; and

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

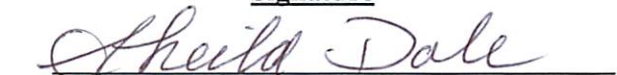




WHEREAS, said application for exemption from audit has been completed in accordance with regulations issued by the state auditor.

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, 2017, 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, 2017.

ATTEST: Date: March 27, 2018


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 5, 2018

Board of Directors
Grand Mesa Metropolitan District No. II
Mesa, Colorado

We have compiled the balance sheet of Grand Mesa Metropolitan District No. II (a government), as of December 31, 2017 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.