

**APPLICATION FOR EXEMPTION FROM AUDIT**

**LONG FORM**

*1262.03*

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

NAME OF GOVERNMENT  
ADDRESS  
  
CONTACT PERSON  
PHONE  
EMAIL  
FAX

|   |
|---|
| The Gardens on Hayana Metropoliatn District No. 2 |
| 8390 E Crescent Parkway                           |
| Suite 500   |
| Greenwood Village, CO 80111                       |
| Sarah Hunsche                                     |
| 303-779-5710                                      |
| Sarah.Hunsche@claconnect.com                      |
| 303-779-0348                                      |

**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:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED  
(Must be Completed prior to Board approval)  
  
RELATIONSHIP TO ENTITY

|   |
|---|
| Sarah Hunsche   |
| Accountant for the District                                     |
| CliftonLarsonAllen LLP  |
| 8390 E Crescent Parkway, Suite 500, Greenwood Village, CO 80111 |
| 303-779-5710  |
| 2/20/2018   |
| CPA Firm providing accounting services to the District          |

**PREPARER** (SIGNATURE REQUIRED)

**SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT**

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"/> |                     |

**P**

**RECEIVED**  
Office of the State Auditor  
  
March 30, 2018

## 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            | Debt Service |   | Fund*                       | Fund* |  |
| <b>Assets</b>       |   |                    |              | <b>Assets</b>   |                             |       |  |
| 1-1                 | Cash & Cash Equivalents   | \$ 100             | \$ 18,448    | Cash & Cash Equivalents   | \$ -                        | \$ -  |  |
| 1-2                 | Investments   | \$ -               | \$ -         | Investments   | \$ -                        | \$ -  |  |
| 1-3                 | Receivables   | \$ -               | \$ 95,409    | Receivables   | \$ -                        | \$ -  |  |
| 1-4                 | Due from Other Entities or Funds  | \$ -               | \$ -         | Due from Other Entities or Funds  | \$ -                        | \$ -  |  |
|                     | All Other Assets (specify)  |                    |              | Other Current Assets  | \$ -                        | \$ -  |  |
| 1-5                 |   | \$ -               | \$ -         |   |                             |       |  |
| 1-6                 |   | \$ -               | \$ -         |   |                             |       |  |
| 1-7                 |   | \$ -               | \$ -         |   |                             |       |  |
| 1-8                 |   | \$ -               | \$ -         |   |                             |       |  |
| 1-9                 |   | \$ -               | \$ -         |   |                             |       |  |
| 1-10                |   | \$ -               | \$ -         |   |                             |       |  |
| 1-11                | (add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>  | \$ 100             | \$ 113,857   | (add lines 1-1 through 1-10) <b>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>   | \$ 100             | \$ 113,857   | <b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>   | \$ -                        | \$ -  |  |
| <b>Liabilities</b>  |   |                    |              | <b>Liabilities</b>  |                             |       |  |
| 1-14                | Accounts Payable  | \$ -               | \$ -         | 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  | \$ -               | \$ 19,663    | Due to Other Entities or Funds  | \$ -                        | \$ -  |  |
| 1-18                | All Other Current Liabilities   | \$ -               | \$ -         | All Other Current Liabilities   | \$ -                        | \$ -  |  |
| 1-19                | <b>TOTAL CURRENT LIABILITIES</b>  | \$ -               | \$ 19,663    | <b>TOTAL CURRENT LIABILITIES</b>  | \$ -                        | \$ -  |  |
| 1-20                | All Other Liabilities (specify)   | \$ -               | \$ -         | Proprietary Debt Outstanding (from Part 4-4)  | \$ -                        | \$ -  |  |
| 1-21                | Deferred Property Taxes   | \$ -               | \$ 91,673    | Other Liabilities (specify)   | \$ -                        | \$ -  |  |
| 1-22                |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 1-23                |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 1-24                |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 1-25                |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 1-26                |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 1-27                |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 1-28                | (add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>  | \$ -               | \$ 111,336   | (add lines 1-19 through 1-27) <b>TOTAL LIABILITIES</b>  | \$ -                        | \$ -  |  |
| 1-29                | <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>  | \$ -               | \$ -         | <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>  | \$ -                        | \$ -  |  |
| <b>Fund Balance</b> |   |                    |              | <b>Net Position</b>   |                             |       |  |
| 1-30                | Nonspendable Prepaid  | \$ -               | \$ -         | Net Investment in Capital Assets  | \$ -                        | \$ -  |  |
| 1-31                | Nonspendable Inventory  | \$ -               | \$ -         |   |                             |       |  |
| 1-32                | Restricted (specify): Debt Service  | \$ -               | \$ 2,521     | Emergency Reserves  | \$ -                        | \$ -  |  |
| 1-33                | Committed (specify)   | \$ -               | \$ -         | Other Designations/Reserves   | \$ -                        | \$ -  |  |
| 1-34                | Assigned (specify)  | \$ -               | \$ -         | Restricted  | \$ -                        | \$ -  |  |
| 1-35                | Unassigned:   | \$ 100             | \$ -         | Undesignated/Unreserved/Unrestricted  | \$ -                        | \$ -  |  |
| 1-36                | Add lines 1-30 through 1-35<br>This total should be the same as line 3-33<br><b>TOTAL FUND BALANCE</b>                                      | \$ 100             | \$ 2,521     | Add lines 1-30 through 1-35<br>This total should be the same as line 3-33<br><b>TOTAL NET POSITION</b>                                      | \$ -                        | \$ -  |  |
| 1-37                | Add lines 1-28, 1-29 and 1-36<br>This total should be the same as line 1-13<br><b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b> | \$ 100             | \$ 113,857   | Add lines 1-28, 1-29 and 1-36<br>This total should be the same as line 1-13<br><b>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            | Debt Service |   | Fund*                       | Fund* |  |
| <b>Tax Revenue</b>             |   |                    |              | <b>Tax Revenue</b>  |                             |       |  |
| 2-1                            | Property  | \$ -               | \$ 89,801    | Property  | \$ -                        | \$ -  |  |
| 2-2                            | Specific Ownership  | \$ -               | \$ 47,147    | 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<br/>TOTAL TAX REVENUE</b>                        | \$ -               | \$ 136,948   | <b>Add lines 2-1 through 2-7<br/>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  | \$ -               | \$ -         | Grants  | \$ -                        | \$ -  |  |
| 2-15                           | Donations   | \$ -               | \$ -         | Donations   | \$ -                        | \$ -  |  |
| 2-16                           | Charges for Sales and Services  | \$ -               | \$ -         | Charges for Sales and Services  | \$ -                        | \$ -  |  |
| 2-17                           | Rental Income   | \$ -               | \$ -         | Rental Income   | \$ -                        | \$ -  |  |
| 2-18                           | Fines and Forfeits  | \$ -               | \$ -         | Fines and Forfeits  | \$ -                        | \$ -  |  |
| 2-19                           | Interest/Investment Income  | \$ -               | \$ 37        | 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                           |   | \$ -               | \$ -         |   | \$ -                        | \$ -  |  |
| 2-24                           | <b>Add lines 2-8 through 2-23<br/>TOTAL REVENUES</b>                          | \$ -               | \$ 136,985   | <b>Add lines 2-8 through 2-23<br/>TOTAL REVENUES</b>                          | \$ -                        | \$ -  |  |
| <b>Other Financing Sources</b> |   |                    |              | <b>Other Financing Sources</b>  |                             |       |  |
| 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<br/>TOTAL OTHER FINANCING SOURCES</b>          | \$ -               | \$ -         | <b>Add lines 2-25 through 2-27<br/>TOTAL OTHER FINANCING SOURCES</b>          | \$ -                        | \$ -  |  |
| 2-29                           | <b>Add lines 2-24 and 2-28<br/>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> | \$ -               | \$ 136,985   | <b>Add lines 2-24 and 2-28<br/>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> | \$ -                        | \$ -  | <b>GRAND TOTALS</b><br>\$ 136,985                                      |

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            | Debt Service |  | Fund*                       | Fund* |  |
| <b>Expenditures</b> |  |                    |              | <b>Expenditures</b>  |                             |       |  |
| 3-1                 | General Government   | \$ -               | \$ -         | General Operating & Administrative   | \$ -                        | \$ -  |  |
| 3-2                 | Judicial   | \$ -               | \$ -         | Salaries   | \$ -                        | \$ -  |  |
| 3-3                 | Law Enforcement  | \$ -               | \$ -         | Payroll Taxes  | \$ -                        | \$ -  |  |
| 3-4                 | Fire   | \$ -               | \$ -         | Contract Services  | \$ -                        | \$ -  |  |
| 3-5                 | Highways & Streets   | \$ -               | \$ -         | Employee Benefits  | \$ -                        | \$ -  |  |
| 3-6                 | Solid Waste  | \$ -               | \$ -         | 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                | Treasurer's Fees   | \$ -               | \$ 1,348     | Contributions to Fire & Police Pension Assoc.  | \$ -                        | \$ -  |  |
| 3-12                | Transfer to the Gardens on Havana District No. 1   | \$ -               | \$ 4,054     | Other (specify)  | \$ -                        | \$ -  |  |
| 3-13                | Transfer to the Gardens on Havana District No. 3   | \$ -               | \$ 131,583   |  | \$ -                        | \$ -  |  |
| 3-14                | Capital Outlay   | \$ -               | \$ -         | 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</b>  | \$ -               | \$ 136,985   | <b>Add lines 3-1 through 3-21</b>  | \$ -                        | \$ -  |  |
|                     | <b>TOTAL EXPENDITURES</b>  | \$ -               | \$ 136,985   | <b>TOTAL EXPENDITURES</b>  | \$ -                        | \$ -  | \$ 136,985   |
| 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)</b>   | \$ -               | \$ -         | <b>(Line 3-26, plus line 3-27, less line 3-24, less line 3-25)</b>   | \$ -                        | \$ -  |  |
|                     | <b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>  | \$ -               | \$ -         | <b>TOTAL GAAP RECONCILING ITEMS</b>  | \$ -                        | \$ -  |  |
| 3-30                | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures<br>Line 2-29, less line 3-22, plus line 3-29 | \$ -               | \$ -         | Net Increase (Decrease) in Net Position<br>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   | \$ 100             | \$ 2,521     | 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<br>Sum of Line 3-30, 3-31, and 3-32<br>This total should be the same as line 1-36.                       | \$ 100             | \$ 2,521     | Net Position, December 31<br>Line 3-30 plus line 3-31<br>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                                  |  |
| 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:<br>N/A - no outstanding debt            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain:<br>N/A - no outstanding debt | <input type="checkbox"/> | <input checked="" 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):         | \$ -                             | \$ -               | \$ -                | \$ -                    |
| TOTAL                    | \$ -                             | \$ -               | \$ -                | \$ -                    |

\*must agree to prior year ending balance

Please use this space to provide any explanations or comments:

4.9 Mills levied to repay The Gardens on Havana Metropolitan District No.3's outstanding Series 2017A and Series 2017B Bonds pursuant to a Capital Pledge Agreement.

Please answer the following questions by marking the appropriate boxes.

|         |  |                                     |                                     |  |
|---------|--|-------------------------------------|-------------------------------------|--|
|         |  | YES                                 | NO                                  |  |
| 4-5     | Does the entity have any authorized, but unissued, debt?<br>How much?                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |  |
| If yes: | Date the debt was authorized:  |                                     |                                     |  |
|         | \$ 1,050,000,000<br>5/6/2008   |                                     |                                     |  |
| 4-6     | Does the entity intend to issue debt within the next calendar year?<br>How much?           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |  |
| If yes: | \$ -   |                                     |                                     |  |
| 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 (do not enter \$ amounts): |                                     |                                     |  |
|         | Bond Redemption 25.000   |                                     |                                     |  |
|         | General/Other 0.000  |                                     |                                     |  |
|         | TOTAL 25.000   |                                     |                                     |  |

## 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                                  | \$ 18,548 |                  |
| 5-2 Certificates of deposit  | \$ -      |                  |
| <b>TOTAL CASH DEPOSITS</b>   |           | <b>\$ 18,548</b> |
| <b>Investments</b> (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>\$ 18,548</b> |

Please use this space to provide any explanations or comments:

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?  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   | \$ -                             | \$ -      | \$ -      | \$ -             |
| Machinery and equipment   | \$ -                             | \$ -      | \$ -      | \$ -             |
| Furniture and fixtures  | \$ -                             | \$ -      | \$ -      | \$ -             |
| Infrastructure  | \$ -                             | \$ -      | \$ -      | \$ -             |
| Construction In Progress (CIP)                                  | \$ -                             | \$ -      | \$ -      | \$ -             |
| Other (explain):  | \$ -                             | \$ -      | \$ -      | \$ -             |
| Accumulated Depreciation (Enter a negative, or credit, balance) | \$ -                             | \$ -      | \$ -      | \$ -             |
| <b>TOTAL</b>  | \$ -                             | \$ -      | \$ -      | \$ -             |

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>  | \$ -                             | \$ -      | \$ -      | \$ -             |

\*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

- 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

Please use this space to provide any explanations or comments:

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

| Fund Name                 | Budgeted Expenditures |
|---------------------------|-----------------------|
| General Fund              | \$ 100                |
| Amended Debt Service Fund | \$ 144,000            |
|                           | \$ -                  |
|                           | \$ -                  |

## 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)]?  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.

Please use this space to provide any explanations or comments:

## 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?  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:
- The District operates in conjunction with Gardens on Havana Metropolitan Districts Nos. 1 and 3

Please use this space to provide any explanations or comments:

10-4 street improvements, parks & recreation, water improvements, transportation improvements, mosquito control, safety & fire protection, television relay, security services & sanitation improvements

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

## OSA USE ONLY

| Entity Wide:                    |    | General Fund |                           | Governmental Funds |                              | Notes            |
|---------------------------------|----|--------------|---------------------------|--------------------|------------------------------|------------------|
| Unrestricted Cash & Investments | \$ | 18,548       | Unrestricted Fund Balance | 100                | Total Tax Revenue            | \$ 136,948       |
| Current Liabilities             | \$ | 19,863       | Total Fund Balance        | 100                | Revenue Paying Debt Service  | \$ -             |
| Deferred Inflow                 | \$ | -            | PY Fund Balance           | 100                | Total Revenue                | \$ 136,985       |
|                                 |    |              | Total Revenue             | -                  | Total Debt Service Principal | \$ -             |
|                                 |    |              | Total Expenditures        | -                  | Total Debt Service Interest  | \$ -             |
|                                 |    |              | Interfund In              | -                  |                              |                  |
|                                 |    |              | Interfund Out             | -                  | <b>Enterprise Funds</b>      |                  |
|                                 |    |              | - Proprietary             |                    | Net Position                 | \$ -             |
|                                 |    |              | - Current Assets          |                    | PY Net Position              | \$ -             |
|                                 |    |              | Deferred Outflow          |                    | <b>Government-Wide</b>       |                  |
|                                 |    |              | - Current Liabilities     |                    | Total Outstanding Debt       | \$ -             |
|                                 |    |              | Deferred Inflow           |                    | Authorized but Unissued      | \$ 1,050,000,000 |
|                                 |    |              | Cash & Investments        |                    | Year Authorized              | \$ -             |
|                                 |    |              | Principal Expense         |                    |                              |                  |
| <b>Governmental</b>             |    |              |                           |                    |                              |                  |
| Total Cash & Investments        | \$ | 18,548       |                           |                    |                              |                  |
| Transfers In                    | \$ |              |                           |                    |                              |                  |
| Transfers Out                   | \$ |              |                           |                    |                              |                  |
| Property Tax                    | \$ | 89,801       |                           |                    |                              |                  |
| Debt Service Principal          | \$ |              |                           |                    |                              |                  |
| Total Expenditures              | \$ | 136,985      |                           |                    |                              |                  |
| Total Developer Advances        | \$ |              |                           |                    |                              |                  |
| Total Developer Repayments      | \$ |              |                           |                    |                              |                  |

5/6/2008

**PART 12 - GOVERNING BODY APPROVAL**

Please answer the following question by marking in the appropriate box

YES

NO

12-1 Have you read the new Electronic Signiture Policy and do you plan on submitting signitures in accordance with this 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. 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 and approved by 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 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 the following 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.

**Original Signatures  
Verified by**

Justin L. Smith



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.<br>Signed _____ Date: _____<br>My term Expires: May 2018                                   |
|--------------|---------------------------|--|
| 1            | Ira Shwartz               | I, Ira Shwartz, I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed <u>Ira Shwartz</u> Date: <u>3/15/18</u><br>My term Expires: May 2020                   |
| 2            | Michael Kaiser            | I, Michael Kaiser, 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.<br>Signed <u>Michael Kaiser</u> Date: <u>3/15/18</u><br>My term Expires: May 2020 |
| 3            | Brenda Soper              | I, Brenda Soper, 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.<br>Signed <u>Brenda Soper</u> Date: <u>3/16/18</u><br>My term Expires: May 2018     |
| 4            | 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.<br>Signed _____ Date: _____<br>My term Expires: _____                                      |
| 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.<br>Signed _____ Date: _____<br>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.<br>Signed _____ Date: _____<br>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.<br>Signed _____ Date: _____<br>My term Expires: _____                                      |



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.CLACONNECT.com

## **Accountant's Compilation Report**

Board of Directors  
The Gardens on Havana Metropolitan District No. 2  
Arapahoe County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Gardens on Havana Metropolitan District No. 2 as of and for the year ended December 31, 2017, 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 The Gardens on Havana Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
February 20, 2018