

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Independence Metropolitan District #3
c/o Special District Solutions
9250 E. Costilla Avenue Suite 660
Greenwood Village, CO 80112
Cathy A. Fromm, CPA
303-662-1999
cfromm@specialdistrictsolutions.com
N/A

For the Year Ended  
12/31/17  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL  
FAX

### 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:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED  
(Must be prepared prior to  
Board approval)

Cathy A. Fromm
Chief Financial Officer
Special District Solutions
9250 E. Costilla Avenue Suite 660 Greenwood Village, CO 80112
303-662-1999
16-Jan-18

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)



**P**

# RECEIVED

Office of the State Auditor

March 21, 2018

## 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	
2-1	<b>Taxes: Property</b>	\$ -	Please use this space to provide any necessary explanations
2-2	<b>Specific ownership</b>	\$ -	
2-3	<b>Sales and use</b>	\$ -	
2-4	<b>Other (specify):</b>	\$ -	
2-5	<b>Licenses and permits</b>	\$ -	
2-6	<b>Intergovernmental: Grants</b>	\$ -	
2-7	<b>Conservation Trust Funds (Lottery)</b>	\$ -	
2-8	<b>Highway Users Tax Funds (HUTF)</b>	\$ -	
2-9	<b>Other (specify):</b>	\$ -	
2-10	<b>Charges for services</b>	\$ -	
2-11	<b>Fines and forfeits</b>	\$ -	
2-12	<b>Special assessments</b>	\$ -	
2-13	<b>Investment income</b>	\$ -	
2-14	<b>Charges for utility services</b>	\$ -	
2-15	<b>Debt proceeds</b> (should agree with line 4-4, column 2)	\$ -	
2-16	<b>Lease proceeds</b>	\$ -	
2-17	<b>Developer Advances received</b> (should agree with line 4-4)	\$ -	
2-18	<b>Proceeds from sale of capital assets</b>	\$ -	
2-19	<b>Fire and police pension</b>	\$ -	
2-20	<b>Donations</b>	\$ -	
2-21	<b>Other (specify):</b>	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) <b>TOTAL REVENUE</b>	\$ -	

## 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	
3-1	<b>Administrative</b>	\$ -	Please use this space to provide any necessary explanations
3-2	<b>Salaries</b>	\$ -	
3-3	<b>Payroll taxes</b>	\$ -	
3-4	<b>Contract services</b>	\$ -	
3-5	<b>Employee benefits</b>	\$ -	
3-6	<b>Insurance</b>	\$ -	
3-7	<b>Accounting and legal fees</b>	\$ -	
3-8	<b>Repair and maintenance</b>	\$ -	
3-9	<b>Supplies</b>	\$ -	
3-10	<b>Utilities and telephone</b>	\$ -	
3-11	<b>Fire/Police</b>	\$ -	
3-12	<b>Streets and highways</b>	\$ -	
3-13	<b>Public health</b>	\$ -	
3-14	<b>Culture and recreation</b>	\$ -	
3-15	<b>Utility operations</b>	\$ -	
3-16	<b>Capital outlay</b>	\$ -	
3-17	<b>Debt service principal</b> (should agree with Part 4)	\$ -	
3-18	<b>Debt service interest</b>	\$ -	
3-19	<b>Repayment of Developer Advance Principal</b> (should agree with line 4-4)	\$ -	
3-20	<b>Repayment of Developer Advance Interest</b>	\$ -	
3-21	<b>Contribution to pension plan</b> (should agree to line 7-2)	\$ -	
3-22	<b>Contribution to Fire &amp; Police Pension Assoc.</b> (should agree to line 7-2)	\$ -	
3-23	<b>Other (specify):</b>	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) <b>TOTAL EXPENDITURES</b>	\$ -	

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.

- 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:  Yes  No

N/A

- 4-3 Is the entity current in its debt service payments? If no, MUST explain:  Yes  No

N/A

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>

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

- 4-5 Does the entity have any authorized, but unissued, debt?  Yes  No

If yes: How much? \$ 72,760,000.00

Date the debt was authorized: 9/17/17

- 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 (do not report \$ amounts):

Bond Redemption	-
General/Other	-
<b>TOTAL</b>	<b>-</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	\$ -	
<b>Total Cash Deposits</b>		<b>\$ -</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>\$ -</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.?  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

- 6-1 Does the entity have capital 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

N/A

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>

\*must tie to prior year ending balance

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?  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.):	\$ -
<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

- 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.?  Yes  No  N/A
- If no, MUST explain:

- 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:

General Fund	\$ 45,000

## 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: 17-Sep-17

- 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:

Finance and maintain certain streets, water, sanitary sewer, traffic and safety controls, street lighting, park and recreation, landscaping, and storm drainage facilities

- 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:

- 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:

## 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>	<b>Print Board Member's Name</b>	I <u>          Randall Roberts          </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. Signed <u></u> Date: <u>11/6/2018</u> My term Expires: <u>MAY 2022</u>
<b>Board Member 2</b>	<b>Print Board Member's Name</b>	I <u>          Jeffrey Keeley          </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. Signed <u></u> Date: <u>11/14/2018</u> My term Expires: <u>MAY 2020</u>
<b>Board Member 3</b>	<b>Print Board Member's Name</b>	I <u>          Eric Simpson          </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. Signed <u></u> Date: <u>11/6/2018</u> My term Expires: <u>MAY 2022</u>
<b>Board Member 4</b>	<b>Print Board Member's Name</b>	I <u>          Charles Foster          </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. Signed <u></u> Date: <u>11/6/2018</u> My term Expires: <u>MAY 2022</u>
<b>Board Member 5</b>	<b>Print Board Member's Name</b>	I <u>          Timothy Craft          </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. Signed <u></u> Date: <u>11/14/2018</u> My term Expires: <u>MAY 2020</u>
<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  


and or appointed board application for exemption

RESOLUTION OF THE BOARD OF DIRECTORS OF  
INDEPENDENCE METROPOLITAN DISTRICT NO. 3  
REGARDING AN AUDIT EXEMPTION FOR FISCAL YEAR 2017

WHEREAS, the Independence Metropolitan District No. 3 (the "District"), was created pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-603(1), C.R.S., the governing body of each local government in the State of Colorado shall cause to be made an annual audit of the financial statements of the local government for each fiscal year; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(a), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2004, but prior to January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Five Hundred Thousand Dollars (\$500,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, in fiscal year 2017, neither the District's revenues nor expenditures exceeded One Hundred Thousand Dollars (\$100,000); and


WHEREAS, the District desires to apply for an exemption from the provisions of the Colorado Local Government Audit Law and desires legal counsel to engage a person skilled in governmental accounting to apply for this exemption.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF INDEPENDENCE METROPOLITAN DISTRICT NO. 3 AS FOLLOWS:

APPLICATION FOR EXEMPTION FROM 2017 AUDIT. The District hereby authorizes and directs legal counsel to engage the services of a person skilled in governmental accounting to apply for and obtain an exemption from the State Auditor from the provisions of the Colorado Local Government Audit Law at the least cost possible.

APPROVED AND ADOPTED THIS 17th DAY OF JANUARY, 2018.

INDEPENDENCE METROPOLITAN DISTRICT NO.3

  
\_\_\_\_\_, President

ATTEST:

  
\_\_\_\_\_, Secretary/Treasurer