

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

The Springs Metropolitan District
1641 California St., Suite 300
Denver, CO 80202

For the Year Ended
12/31/18
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

Michael Davis
303-285-5320
mdavis@ddmalaw.com
303-285-5330

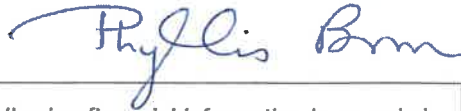
PART 1 - CERTIFICATION OF PREPARER

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

Phyllis Brown
Director of Finance and Accounting
Community Resource Services of Colorado
7995 E. Prentice Ave, Suite 103E, Greenwood Village, CO 80111
303-381-4960
3/19/19

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

August 26, 2019

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	Taxes: Property (report mills levied in Question 10-6)	\$ 12,131	
2-2	Specific ownership	\$ 920	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 202	
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): Interest	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 13,253	

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	\$ 96	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ 6,045	
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): County treasurer fees	\$ 152	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 6,293	

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 checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, MUST explain: Developer advances to be paid as funds become available.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)			
	Outstanding at end of prior year*	Issued during year	Retired during year	
	Outstanding at year-end			
	General obligation bonds	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -
	Developer Advances	\$ 236,170	\$ -	\$ 236,170
	Other (specify):	\$ -	\$ -	\$ -
	TOTAL	\$ 236,170	\$ -	\$ 236,170

*must tie 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? If yes: How much? \$ 104,362,500	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Date the debt was authorized: 11/4/2014		
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8	Does the entity have any lease agreements? If yes: What is being leased? _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	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? \$ -		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

Amount Total

5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
	CSafe	\$ 13,896	
5-3		\$ -	
		\$ -	
	Total Investments		\$ 13,896
	Total Cash and Investments		\$ 13,896

Please answer the following questions by marking in the appropriate boxes

Yes No N/A

5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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?
- 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:

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	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ 366,899	\$ -	\$ -	\$ 366,899
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 366,899	\$ -	\$ -	\$ 366,899

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?
- 7-2 Does the entity have a volunteer firemen's pension plan?
- 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 \$ -

Please use this space to provide any explanations or comments:

THE BOARD WILL BE CONSIDERING A RESOLUTION TO AMEND THE 2018 BUDGET AT ITS NEXT SCHEDULED MEETING FOLLOWING A PUBLIC HEARING.

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

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

General Fund	\$ 11,952

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,
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? 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: Please list the NEW name & PRIOR name:

- 10-3** Is the entity a metropolitan district? Yes No

Please indicate what services the entity provides:

- 10-4** 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:

- 10-5** Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during Yes No

If yes: Date Filed:

- 10-6** 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 mills	-
General/Other mills	42.00
Total mills	42.00

Please use this space to provide any explanations or comments:

PART 11 - 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?	<input type="checkbox"/>	<input type="checkbox"/>

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

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.

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.

Board Member 1	Print Board Member's Name Daniel S. Smith	I <u>Daniel S. Smith</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>8/21/2019</u> My term Expires <u>2020</u>
Board Member 2	Print Board Member's Name Donna M. Smith	I <u>Donna M. Smith</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>8/21/2019</u> My term Expires <u>2022</u>
Board Member 3	Print Board Member's Name Gabriel Chou	I <u>Gabriel Chou</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>8/20/19</u> My term Expires <u>2020</u>
Board Member 4	Print Board Member's Name Chris Chou	I <u>Chris Chou</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 _____ Date _____ My term Expires <u>2020</u>
Board Member 5	Print Board Member's Name Lisa Smith	I <u>Lisa Smith</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 _____ Date _____ My term Expires <u>2022</u>
Board Member 6	Print Board Member's Name 	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 _____
Board Member 7	Print Board Member's Name 	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 _____

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
THE SPRINGS METROPOLITAN DISTRICT
REGARDING AN AUDIT EXEMPTION FOR FISCAL YEAR 2018

WHEREAS, the The Springs Metropolitan District (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 THE THE SPRINGS METROPOLITAN DISTRICT AS FOLLOWS:

1. APPLICATION FOR EXEMPTION FROM 2018 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 OCTOBER 4, 2018.

THE SPRINGS METROPOLITAN DISTRICT



Daniel S. Smith, President

ATTEST:



Lisa Smith, Assistant Secretary