

# APPLICATION FOR EXEMPTION FROM AUDIT

## LONG FORM

NAME OF GOVERNMENT  
ADDRESS

PINON PINES METROPOLITAN DISTRICT NO. 3  
2 N. CASCADE AVENUE, SUITE 1280  
COLORADO SPRINGS, CO 80903

For the Year Ended  
12/31/2021  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL  
FAX

ANN NICHOLS  
719-327-5810  
ANICHOLSDUFFY@AOL.COM  
719-633-6257

## 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  
RELATIONSHIP TO ENTITY

THOMAS SISTARE  
SHAREHOLDER  
HOELTING & COMPANY, INC.  
31 E. PLATTE AVE. COLORADO SPRINGS, CO 80903  
719-630-1091  
March 21, 2022  
INDEPENDENT CPA

**PREPARER** (SIGNATURE REQUIRED)

*Thomas Sistare*

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
<input type="checkbox"/>	<input checked="" type="checkbox"/>

If Yes, date filed:

P

## PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General Fund	Fund*		Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ 47,840	\$ -	Cash & Cash Equivalents	\$ -	\$ -
1-2	Investments	\$ 740,677	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ 250,906	\$ -	Receivables	\$ -	\$ -
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets [specify...]	\$ -	\$ -
	All Other Assets [specify...]					
1-6	Prepaid Expenses	\$ 2,417	\$ -			
1-7		\$ -	\$ -	<b>Total Current Assets</b>	\$ -	\$ -
1-8		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ 1,041,840	\$ -	(add lines 1-1 through 1-10) <b>TOTAL ASSETS</b>	\$ -	\$ -
<b>Deferred Outflows of Resources</b>				<b>Deferred Outflows of Resources</b>		
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-14	(add lines 1-12 through 1-13) <b>TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	(add lines 1-12 through 1-13) <b>TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 1,041,840	\$ -	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -
<b>Liabilities</b>				<b>Liabilities</b>		
1-16	Accounts Payable	\$ 572	\$ -	Accounts Payable	\$ -	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -
1-20	All Other Current Liabilities	\$ 24,442	\$ -	All Other Current Liabilities	\$ -	\$ -
1-21	(add lines 1-16 through 1-20) <b>TOTAL CURRENT LIABILITIES</b>	\$ 25,014	\$ -	(add lines 1-16 through 1-20) <b>TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-23	Developer advances payable	\$ 20,579	\$ -	Other Liabilities [specify...]:	\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27	(add lines 1-21 through 1-26) <b>TOTAL LIABILITIES</b>	\$ 45,593	\$ -	(add lines 1-21 through 1-26) <b>TOTAL LIABILITIES</b>	\$ -	\$ -
<b>Deferred Inflows of Resources</b>				<b>Deferred Inflows of Resources</b>		
1-28	Deferred Property Taxes	\$ 214,760	\$ -	Pension Related	\$ -	\$ -
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -
1-30	(add lines 1-28 through 1-29) <b>TOTAL DEFERRED INFLOWS</b>	\$ 214,760	\$ -	(add lines 1-28 through 1-29) <b>TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -
<b>Fund Balance</b>				<b>Net Position</b>		
1-31	Nonspendable Prepaid	\$ 2,417	\$ -	Net Investment in Capital Assets	\$ -	\$ -
1-32	Nonspendable Inventory	\$ -	\$ -		\$ -	\$ -
1-33	Restricted [TABOR]	\$ 16,100	\$ -	Emergency Reserves	\$ -	\$ -
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-36	Unassigned:	\$ 762,970	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ 781,487	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ -	\$ -
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ 1,041,840	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ -	\$ -

Please use this space to provide explanation of any items on this page

## 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 Fund	Fund*		Fund*	Fund*	
	<b>Tax Revenue</b>			<b>Tax Revenue</b>			
2-1	Property [include mills levied in Question 10-6]	\$ 101,070	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ 11,869	\$ -	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	\$ 112,939	\$ -	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	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ 422,874	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 96	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 535,909	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	
	<b>Other Financing Sources</b>			<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
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	\$ -	\$ -	<b>GRAND TOTALS</b>
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 535,909	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 535,909

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 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:  
 The debt is developer advances with no set repayment schedule.  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	\$ 20,579	\$ -	\$ -	\$ 20,579
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 20,579	\$ -	\$ -	\$ 20,579

\*must agree to prior year ending balance

The debt is developer advances which have no set repayment schedule.

Please answer the following questions by marking the appropriate boxes.

YES                      NO

4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?  YES                       NO

If yes: How much?   
 Date the debt was authorized:

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?

## 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	\$ 47,840	
5-2	Certificates of deposit	\$ -	
TOTAL CASH DEPOSITS			\$ 47,840
Investments (if investment is a mutual fund, please list underlying investments):			
5-3	ColoTrust Prime	\$ 740,677	
		\$ -	
		\$ -	
		\$ -	
TOTAL INVESTMENTS			\$ 740,677
TOTAL CASH AND INVESTMENTS			\$ 788,517

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,  YES                       NO  
**MUST explain:**

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year <sup>1</sup>	Additions <sup>2</sup>	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>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year <sup>1</sup>	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>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Must agree to prior year-end balance  
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

## PART 7 - PENSION INFORMATION

YES                      NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  YES                       NO
- 7-2 Does the entity have a volunteer firefighters' pension plan?  YES                       NO
- If yes: Who administers the plan?  YES                       NO

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? \$ -

**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 separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 462,767
	\$ -
	\$ -
	\$ -

**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:

- 10-6 Does the entity have a certified mill levy? YES  NO

If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):

Bond Redemption mills	0.000
General/Other mills	50.000
<b>Total mills</b>	<b>50.000</b>

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	\$	788,517	Unrestricted Fund Balan	\$	782,970	Total Tax Revenue	\$ 112,939
Current Liabilities	\$	25,014	Total Fund Balance	\$	781,487	Revenue Paying Debt Service	\$ 535,909
Deferred Inflow	\$	214,760	PY Fund Balance	\$	705,977	Total Revenue	\$ 535,909
			Total Revenue	\$	535,809	Total Debt Service Principal	\$ -
			Total Expenditures	\$	460,399	Total Debt Service Interest	\$ 1,846
			Interfund In	\$	-		
<b>Governmental</b>		788,517	Interfund Out	\$	-	<b>Enterprise Funds</b>	
Total Cash & Investments	\$		- Proprietary			Net Position	\$ -
Transfers In	\$		- Current Assets	\$		- PY Net Position	\$ -
Transfers Out	\$		Deferred Outflow	\$		- <b>Government-Wide</b>	
Property Tax	\$	101,070	- Current Liabilities	\$		- Total Outstanding Debt	\$ 20,579
Debt Service Principal	\$		Deferred Inflow	\$		- Authorized but Unissued	\$ 139,900,000
Total Expenditures	\$	460,399	- Cash & Investments	\$		- Year Authorized	11/4/2003
Total Developer Advances	\$		- Principal Expense	\$			
Total Developer Repayments	\$						

**PART 12 - GOVERNING BODY APPROVAL**

YES  NO

Please answer the following question by marking in the appropriate box

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**

**Public - 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 signatures software. The signature history document must show when the document was created and when the document was emailed to the various persons and include the email addresses of 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 application and signing of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that the 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 \$25,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting, compliance to the best of their knowledge and is accurate and true. See additional copies if needed.

Print the names of ALL members of the governing body below.

1	Full Name	I, _____, personally reviewed and approve this application for exemption from audit.	A MAJORITY of the members of the governing body must complete and sign in this column below.
1	Douglas Stimple	Signed: _____ My term Expires: <u>May 2023</u> Date: <u>3-22-22</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.
2	Joe Loidolt	Signed: _____ My term Expires: <u>May 2023</u> Date: <u>3-22-22</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.
3	George Lenz	Signed: _____ My term Expires: _____ Date: _____	_____ 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.
4	Jim Boulton	Signed: _____ My term Expires: _____ Date: _____	_____ 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.
5		Signed: _____ My term Expires: _____ Date: _____	_____ 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.
6		Signed: _____ My term Expires: _____ Date: _____	_____ 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.
7		Signed: _____ My term Expires: _____ Date: _____	_____ 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.