



March 19, 2010

Office of the State Auditor  
Local Government Audit Division  
225 E 16<sup>th</sup> Avenue, Suite 555  
Denver, CO 80203

Dear Sir or Madam:

Enclosed please find the originals of the Applications for Exemption from Audit for Loveland Midtown Metropolitan District, for the year ended December 31, 2009.

Please advise of your acceptance and please don't hesitate to call if you have any questions. I can be reached at (970) 669 – 3611.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa Adler", written in a cursive style.

Teresa Adler  
Accounting Manager

Cc: City of Loveland (per C.R.S. 29-1-606)

**APPLICATION FOR EXEMPTION FROM AUDIT - LONG FORM - FOR GOVERNMENTS WITH REVENUES OR EXPENDITURES GREATER THAN \$100,000 BUT NOT MORE THAN \$500,000**

Name of Government:	Loveland Midtown Metropolitan District	For the Fiscal Year Ended December 31, 2009 or fiscal year ended:
Address:	c/o Pinnacle Consulting Group, Inc. 5110 Granite Street, Suite C Loveland, CO 80538	
Contact Person:	Peggy Dowswell, CPA	
Telephone:	(970) 669-3611	
E-Mail:	peggyd@pinnacleconsultinggroupinc.com	
Fax:	(970) 669-3612	

Return to: Office of the State Auditor  
Local Government Audit Division  
225 E. 16th Ave., Suite 555  
Denver, CO 80203  
**Fax: (303) 866-4062**  
Email: OSA.LG@state.co.us  
Call (303) 866-3338 if you need help completing this form.

Section 29-1-604, C.R.S. outlines the provisions for an exemption from audit. Generally, any local government where neither revenues nor expenditures exceed \$500,000 in any fiscal year qualify for an exemption. **If either revenues or expenditures are \$100,000 or greater, but not more than \$500,000, you may use this form. If both revenues and expenditures are less than \$100,000 individually, use the short form application for exemption from audit.**

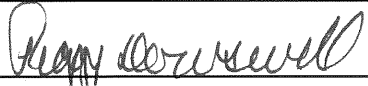
Instructions: (See "Instructions" tab for additional information)

1. Prepare this form completely and accurately. Please note that there are eleven parts to this form and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year. For years ended December 31, the form **must** be received by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by an independent accountant (separate from the entity) with knowledge of governmental accounting.
4. The application must be approved by the governing body as evidenced by one of the following methods:
  - a. Resolution of the governing board - application may be e-mailed, faxed, or mailed.
  - b. Original signatures - application must be mailed. E-mail or fax will NOT be accepted.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

**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. Independent means someone who is separate from the entity.

Name:	Peggy Dowswell, CPA
Title:	District Accountant
Firm Name (if applicable):	Pinnacle Consulting Group, Inc.
Address:	5110 Granite Street, Suite C, Loveland, CO 80538
Telephone Number:	(970) 669-3611
Date Prepared:	2/24/2010

**Signature:** 

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 \$500,000. Independent means someone who is separate from the entity. Please describe what your relationship is with the entity.

Independent CPA to the District.

**PART 1 - Financial Statements - Balance Sheet**

		Governmental Funds		Proprietary/Fiduciary Funds	
Ln #	Description	General Fund*	Fund*	Long Term FA Fund*	Fund*
1-1	Assets				
1-2	Cash & Cash Equivalents	\$ 74,386	\$ -	\$ -	\$ -
1-3	Investments	\$ -	\$ -	\$ -	\$ -
1-4	Receivables	\$ -	\$ -	\$ -	\$ -
1-5	Due from other Entities or Funds	\$ -	\$ -	\$ -	\$ -
1-6	Other Assets (specify)	\$ -	\$ -	\$ 1,117,239	\$ -
1-7	Property Taxes Receivable	\$ 86,652	\$ -	\$ -	\$ -
1-8	Cash on Hand from County	\$ 631	\$ -	\$ -	\$ -
1-9		\$ -	\$ -	\$ -	\$ -
1-10		\$ -	\$ -	\$ -	\$ -
1-11	Total Assets (add lines 1-2 through 1-10)	\$ 161,669	\$ -	\$ 1,117,239	\$ -
1-12	Liabilities and Fund Equity				
1-13	Liabilities				
1-14	Accounts Payable	\$ 5,089	\$ -	\$ -	\$ -
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	\$ -	\$ -
1-16	Accrued Interest Payable	\$ -	\$ -	\$ 355,480	\$ -
1-17	Due to other Entities or Funds	\$ -	\$ -	\$ -	\$ -
1-18	Other Liabilities (specify)	\$ -	\$ -	\$ -	\$ -
1-19	Deferred Property Taxes	\$ 86,652	\$ -	\$ -	\$ -
1-20		\$ -	\$ -	\$ 1,389,888	\$ -
1-21		\$ -	\$ -	\$ -	\$ -
1-22		\$ -	\$ -	\$ -	\$ -
1-23		\$ -	\$ -	\$ -	\$ -
1-24		\$ -	\$ -	\$ -	\$ -
1-25		\$ -	\$ -	\$ -	\$ -
1-26	Total Liabilities (add lines 1-14 through 1-25)	\$ 91,741	\$ -	\$ 1,745,368	\$ -
1-27	Equity				
1-28					
1-29	Fund Equity				
1-30	Emergency Reserves	\$ 2,690	\$ -	\$ -	\$ -
1-31	Other Designations/Reserves	\$ -	\$ -	\$ -	\$ -
1-32	Restricted	\$ -	\$ -	\$ -	\$ -
1-33	Undesignated/Unreserved/Unrestricted	\$ 67,238	\$ -	\$ -	\$ -
1-34	Total Equity (add lines 1-30 through 1-33) This total should be the same as line 3-33.	\$ 69,928	\$ -	\$ (628,130)	\$ -
1-35	Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11.	\$ 161,669	\$ -	\$ 1,117,239	\$ -

\*Indicate Name of Fund

Note: Attach additional sheets as necessary.

Please Check the box below to indicate the basis of accounting used to complete this form:

<input checked="" type="checkbox"/> Accrual Basis	<input type="checkbox"/> Cash Basis	Is this a change from last year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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**PART 2 - Financial Statements - Operating Statement - Revenue**

		Governmental Funds		Proprietary/Fiduciary Funds		Total of All Funds
	General Fund*	Fund*		Fund*	Fund*	
2-1	Revenues and Other Financing Sources					
2-2	Taxes					
2-3	Property	\$ 110,302	-	\$	-	\$
2-4	Specific Ownership	\$ 8,055	-	\$	-	\$
2-5	Sales and Use Tax	\$	-	\$	-	\$
2-6	Other (specify): Interest	\$ 492	-	\$	-	\$
2-7		\$	-	\$	-	\$
2-8		\$	-	\$	-	\$
2-9		\$	-	\$	-	\$
2-10	Licenses and Permits	\$	-	\$	-	\$
2-11	Intergovernmental					
2-12	Highway User Tax Funds (HUTF)	\$	-	\$	-	\$
2-13	Conservation Trust Funds (Lottery)	\$	-	\$	-	\$
2-14	Community Development Block Grant	\$	-	\$	-	\$
2-15	Fire & Police Pension	\$	-	\$	-	\$
2-16	Grants	\$	-	\$	-	\$
2-17	Donations	\$	-	\$	-	\$
2-18	Other (specify)	\$	-	\$	-	\$
2-19		\$	-	\$	-	\$
2-20	Charges for Sales and Services	\$	-	\$	-	\$
2-21	Rental Income	\$	-	\$	-	\$
2-22	Fines and Forfeits	\$	-	\$	-	\$
2-23	Interest/Investment Income	\$	-	\$	-	\$
2-24	Tap Fees	\$	-	\$	-	\$
2-25		\$	-	\$	-	\$
2-26	Total Revenues (Add lines 2-3 through 2-25)	\$ 118,849	-	\$	-	\$
2-27	Other Financing Sources					
2-28	Debt Proceeds	\$	-	\$	-	\$
2-29	Proceeds from Sale of Capital Assets	\$	-	\$	-	\$
2-30	Other (specify)	\$	-	\$	-	\$
2-31	Total Other Financing Sources (Add lines 2-28 through 2-30)	\$	-	\$	-	\$
2-32	Total Revenues and Other Financing Sources (Add lines 2-26 and 2-31)	\$ 118,849	\$	\$	-	\$ 118,849

**PART 3 - Financial Statements - Operating Statement - Expenditures**

	Governmental Funds		Proprietary/Fiduciary Funds	Total of All Funds
	Fund*	Fund*		
3-1 Expenditures				
3-2 General Government	\$ 89,644	\$ -	\$ -	\$ -
3-3 Judicial	\$ -	\$ -	\$ -	\$ -
3-4 Public Safety				
3-5 Law Enforcement	\$ -	\$ -	\$ -	\$ -
3-6 Fire	\$ -	\$ -	\$ -	\$ -
3-7 Other (specify)	\$ -	\$ -	\$ -	\$ -
3-8 Public Works				
3-9 Highways & Streets	\$ -	\$ -	\$ -	\$ -
3-10 Solid Waste	\$ -	\$ -	\$ -	\$ -
3-11 Other (specify)	\$ -	\$ -	\$ -	\$ -
3-12 Health	\$ -	\$ -	\$ -	\$ -
3-13 Culture and Recreation	\$ -	\$ -	\$ -	\$ -
3-14 Contributions to FPPA	\$ -	\$ -	\$ -	\$ -
3-15 Capital Outlay	\$ -	\$ -	\$ -	\$ -
3-16 Debt Service				
3-17 Principal	\$ -	\$ -	\$ -	\$ -
3-18 Interest	\$ -	\$ -	\$ -	\$ -
3-19 Bond Issuance Costs	\$ -	\$ -	\$ -	\$ -
3-20 Other (specify)	\$ -	\$ -	\$ -	\$ -
3-21	\$ -	\$ -	\$ -	\$ -
3-22	\$ -	\$ -	\$ -	\$ -
3-23 Total Expenditures (Add lines 3-2 through 3-22)	\$ 89,644	\$ -	\$ -	\$ 89,644
3-24 Net Interfund Transfers In (Out)	\$ -	\$ -	\$ -	\$ -
3-25	\$ -	\$ -	\$ -	\$ -
3-26	\$ -	\$ -	\$ -	\$ -
3-27	\$ -	\$ -	\$ -	\$ -
3-28	\$ -	\$ -	\$ -	\$ -
3-29	\$ -	\$ -	\$ -	\$ -
3-30	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 2-32, less line 3-23, plus lines 3-24 through 3-30)	\$ 29,206	\$ -	\$ -	\$ -
Fund Equity, January 1 from December 31 prior year report	\$ 40,722	\$ -	\$ -	\$ -
Fund Equity, December 31 (Line 3-31 plus line 3-32) This total should be the same as line 1-34.	\$ 69,928	\$ -	\$ -	\$ -

**PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED**

Please answer the following questions by marking in the appropriate boxes						Yes	No
<b>4-1</b>	Does the entity have debt?					X	
If yes:	Is the debt repayment schedule attached? If no, please explain:						
	Please complete the following debt schedule, if applicable	Outstanding at beginning of fiscal year	Total issued during fiscal year (add)	Total retired during fiscal year (less)	Total outstanding at fiscal year end	Governmental (G) or Proprietary (P)	
	General Obligation Bonds	\$ -	\$ -	\$ -	\$ -		
	Revenue Bonds	\$ -	\$ -	\$ -	\$ -		
	Notes/Loans	\$ -	\$ -	\$ -	\$ -		
	Leases	\$ -	\$ -	\$ -	\$ -		
	Developer Advances	\$ 1,389,888	\$ -	\$ -	\$ 1,389,888	G	
	Other (specify): Interest	\$ 274,288	\$ 81,191	\$ -	\$ 355,479	G	
	<b>Total</b>	\$ 1,664,176	\$ 81,191	\$ -	\$ 1,745,367		
Please answer the following questions by marking in the appropriate boxes						Yes	No
<b>4-2</b>	Does the entity have authorized, but unissued debt?					X	
If yes:	How much?				\$ 4,000,000		
	Date debt was authorized:				11/2/2004		
<b>4-3</b>	Does the entity intend to issue debt within the next calendar year (2010)?						X
If yes:	How much?				\$ -		
Please answer the following questions by marking in the appropriate boxes						Yes	No
<b>4-4</b>	Does the entity have debt that has been refinanced that it is still responsible for?						X
If yes:	What is the amount outstanding?				\$ -		
Please answer the following questions by marking in the appropriate boxes						Yes	No
<b>4-5</b>	Does the entity have any lease agreements?						X
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?						
	What are the annual lease payments?				\$ -		

**PART 5 - CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR**

Please provide the entity's cash deposit and investment balances			Amount	Total
<b>5-1</b>	Checking Accounts		\$ 6,378	
<b>5-2</b>	Savings Accounts		\$ -	
<b>5-3</b>	Certificates of Deposit		\$ -	
	<b>Total Cash Deposits</b>			\$ 6,378
	Investments (if investment is a mutual fund, please list underlying investments):			
<b>5-4</b>	Colostrust Local Government Investment Pool		\$ 68,008	
<b>5-5</b>			\$ -	
<b>5-6</b>			\$ -	
<b>5-7</b>			\$ -	
	<b>Total Investments</b>			\$ 68,008
	<b>Total Cash and Investments</b>			\$ 74,386
Please answer the following question by marking in the appropriate box			Yes	No
<b>5-8</b>	Are the entity's deposits in an eligible (PDPA) public depository? (Section 11-10.5-101 et. seq., C.R.S.) If no, please explain:		X	

**PART 6 - CAPITAL ASSETS**

		Beginning of the Year	Additions	Deletions	End of Year Balance
<b>6-1</b>	<b>For Governmental Funds</b>				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ 1,259,369	\$ -	\$ -	\$ 1,259,369
	Accumulated Depreciation	\$ (100,025)	\$ (42,105)	\$ -	\$ (142,131)
	Other	\$ -	\$ -	\$ -	\$ -
	<b>Total for Governmental Funds</b>	\$ 1,159,344	\$ (42,105)	\$ -	\$ 1,117,238

		Beginning of the Year	Additions	Deletions	End of Year Balance
<b>6-2</b>	<b>For Proprietary Funds</b>				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -	\$ -
	<b>Total for Proprietary Funds</b>	\$ -	\$ -	\$ -	\$ -

Please answer the following question by marking in the appropriate box		Yes	No
<b>6-3</b>	Has the entity preformed an annual inventory of propey and equipment (capital assets) in accordance with Section 29-1-506 C.R.S.? If no, please explain:	X	

**PART 7 - PENSION INFORMATION**

Please answer the following questions by marking in the appropriate boxes		Yes	No
<b>7-1</b>	Does the entity have an "old hire" fire pension plan?		X
<b>7-2</b>	Does the entity have a volunteer firemen's pension plan?		X
If yes:	Who administers the plan?		
	Indicate the contributions from:		
	Tax: (Property, SO, Sales, etc)	\$ -	
	State Contribution Amount:	\$ -	
	Other: (Gifts, Donations, etc)	\$ -	
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1st?	\$ -	

**PART 8 - BUDGET INFORMATION**

Please answer the following questions by marking in the appropriate boxes		Yes	No
<b>8-1</b>	Did the entity file a 2009 budget with the Department of Local Affairs? If no, please explain:	X	
If yes:	Please indicate the amount appropriated for each fund for 2009:		
	<b>Fund Name</b>	<b>Budgeted 2009 Expenditures</b>	
	General Fund	\$ 112,440	
		\$ -	
		\$ -	
		\$ -	

**PART 9 - 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)]? If no, please explain:	X	
<b>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3% emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</b>			

**PART 10 - GENERAL INFORMATION**

Please answer the following questions by marking in the appropriate boxes		Yes	No
10-1	Is this entity a newly formed governmental entity?		X
If yes:	Date of formation:		
10-2	Is this a metropolitan district?	X	
10-3	Please indicate what services are provided:		
10-4	Does the entity have an agreement with another government entity to provide services?		X
If yes:	List the name of the other government entity and the services provided:		

**PART 11 - GOVERNING BODY APPROVAL**

We, the undersigned, certify that this Application for Exemption from Audit has been:  
 Prepared consistent with Section 29-1-604, C.R.S., which states that an application with revenues and expenditures at least \$100,000 but not more than \$500,000 must be prepared by an independent accountant with knowledge of governmental accounting.  
 Completed to the best of our knowledge and is **accurate** and **true**.  
 Reviewed and approved by a **majority** of the governing body.

**Note: Please list all current members of the governing body. Original signatures must be provided for a majority of the governing body or a resolution may be provided in lieu of original signatures.**

	Name (print names of all current members of the governing body)	Date Term Expires	Original Signature (unless resolution is attached)
1	Don Marostica	May-10	
2	Nathan Klein	10-May	
3	Blaine Rappe	12-May	
4	Eric Holsapple	12-May	
5	Tracy Holsapple	10-May	
6			
7			