

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, 2008 or fiscal year ended:
Address:	c/o Pinnacle Consulting Group, Inc. 5110 Granite Street, Suite C Loveland, CO 80538	
Contact Person:	Peggy Dowswell, C.P.A.	
Telephone:	970-669-3611	
E-Mail:		
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:

In order to ensure that your government's application will be accepted by the Office of the State Auditor, you must do the following:

1. Prepare this form completely and accurately.
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 may be **mailed, faxed, or emailed** as indicated above. If faxed or emailed, a resolution of the governing board **must** accompany the application from exemption from audit in a format that includes the signatures of a majority of the governing body (see sample resolution). If mailed, an original plus one copy should be sent.
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.

Name: Peggy Dowswell	Title: CPA
Firm Name: Pinnacle Consulting Group, Inc.	
Firm Address: 5110 Granite Street, Suite C, Loveland, CO 80538	
Date Prepared: 03/10/2009	Telephone Number: 970-669-3611

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. Please describe what your relationship is with the entity.

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

PART 1 - Financial Statements - Balance Sheet

Ln #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General Fund*	Fund*		Long Term FA Fund*	Fund*
1	Assets			Assets		
2	Cash & Cash Equivalents	\$ 41,642	-	Cash & Cash Equivalents	\$ -	\$ -
3	Investments	-	-	Investments	\$ -	\$ -
4	Receivables	-	-	Receivables	\$ -	\$ -
5	Due from other Entities or Funds	-	-	Due from other Entities or Funds	\$ -	\$ -
6	Other Assets (specify): Fixed Assets	-	-	Capital Assets, net (from Part 5)	\$ 1,159,345	\$ -
7	Amount to be Provided	-	-	Other Assets (specify)	\$ 504,832	\$ -
8		-	-	Amount to be Provided	\$ -	\$ -
9		-	-		\$ -	\$ -
10	Total Assets (add lines 2 through 9)	\$ 41,642	-	Total Assets (add lines 2 through 9)	\$ 1,664,177	\$ -
11						
12	Liabilities and Fund Equity			Liabilities and Fund Equity		
13	Liabilities			Liabilities		
14	Accounts Payable	\$ 920	-	Accounts Payable	\$ -	\$ -
15	Accrued Payroll and Related Liabilities	-	-	Accrued Payroll and Related Liabilities	\$ -	\$ -
16	Accrued Interest Payable	-	-	Accrued Interest Payable	\$ 274,289	\$ -
17	Due to other Entities or Funds	-	-	Due to other Entities or Funds	\$ -	\$ -
18		-	-	Proprietary Debt Outstanding (from Part 3)	\$ -	\$ -
19	Other Liabilities (specify)	-	-	Other Liabilities (specify)	\$ -	\$ -
20		-	-	Developer Note Payable	\$ 1,267,620	\$ -
21		-	-	Developer Advance Payable	\$ 122,268	\$ -
22		-	-		\$ -	\$ -
23		-	-		\$ -	\$ -
24		-	-		\$ -	\$ -
25		-	-		\$ -	\$ -
26	Total Liabilities (add lines 14 through 25)	\$ 920	-	Total Liabilities (add lines 14 through 25)	\$ 1,664,177	\$ -
27	Equity			Equity		
28				Investment in Capital Assets, Net of Debt	\$ -	\$ -
29	Fund Equity			Fund Equity		
30	Emergency Reserves	\$ 2,275	-	Emergency Reserves	\$ -	\$ -
31	Other Designations/Reserves	-	-	Other Designations/Reserves	\$ -	\$ -
32	Restricted	-	-	Restricted	\$ -	\$ -
33	Undesignated/Unreserved/Unrestricted	\$ 38,447	-	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
34	Total Equity (add lines 30 through 33 - this total should be the same as line 101 on page 4)	\$ 40,722	-	Total Equity (add lines 28 through 33 - this total should be the same as line 101 on page 4)	\$ -	\$ -
35	Total Liabilities and Equity (add lines 26 and 34- this total should be the same as line 10)	\$ 41,642	-	Total Liabilities and Equity (add lines 26 and 34- this total should be the same as line 10)	\$ 1,664,177	\$ -

*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:

Accrual Basis
 Cash Basis
 Is this a change from last year?
 Yes
 No

PART 2a - Financial Statements - Operating Statement - Revenue

	Governmental Funds		Proprietary/Fiduciary Funds	Total of All Funds
	General Fund*	Fund*		
36	Revenues and Other Financing Sources			
37	Taxes			
38	Property	\$ 102,214	\$ -	\$ -
39	Specific Ownership	\$ 9,535	\$ -	\$ -
40	Sales and Use Tax	\$ -	\$ -	\$ -
41	Other (specify): Interest	\$ 964	\$ -	\$ -
42		\$ -	\$ -	\$ -
43		\$ -	\$ -	\$ -
44		\$ -	\$ -	\$ -
45	Licenses and Permits	\$ -	\$ -	\$ -
46	Intergovernmental			
47	Highway User Tax	\$ -	\$ -	\$ -
48	Mineral Leasing	\$ -	\$ -	\$ -
49	Conservation Trust Fund (Lottery funds)	\$ -	\$ -	\$ -
50	Community Development Block Grant	\$ -	\$ -	\$ -
51	Fire & Police Pension	\$ -	\$ -	\$ -
52	Other (specify)	\$ -	\$ -	\$ -
53		\$ -	\$ -	\$ -
54		\$ -	\$ -	\$ -
55	Charges for Sales and Services	\$ -	\$ -	\$ -
56	Rental Income	\$ -	\$ -	\$ -
57	Fines and Forfeits	\$ -	\$ -	\$ -
58	Interest/Investment Income	\$ -	\$ -	\$ -
59	Tap fees	\$ -	\$ -	\$ -
60		\$ -	\$ -	\$ -
61		\$ -	\$ -	\$ -
62	Other Financing Sources			
63	Debt Proceeds	\$ -	\$ -	\$ -
64	Proceeds from Sale of Capital Assets	\$ -	\$ -	\$ -
65	Other (specify): Dev. Advances	\$ 1,500	\$ -	\$ -
66		\$ -	\$ -	\$ -
67		\$ -	\$ -	\$ -
68	Total Revenues and Other Financing Sources (Add lines 38 through 66)	\$ 114,213	\$ -	\$ 114,213

PART 2b - Financial Statements - Operating Statement - Expenditures

	Governmental Funds		Proprietary/Fiduciary Funds		Total of All Funds
	General Fund*	Capital Fund*	Fund*	Fund*	
69 Expenditures					
70 General Government	\$ 75,690	\$ -	\$ -	\$ -	\$ 75,690
71 Judicial	\$ -	\$ -	\$ -	\$ -	\$ -
72 Public Safety					
73 Law Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -
74 Fire	\$ -	\$ -	\$ -	\$ -	\$ -
75 Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
76 Public Works					
77 Highways & Streets	\$ -	\$ -	\$ -	\$ -	\$ -
78 Solid Waste	\$ -	\$ -	\$ -	\$ -	\$ -
79 Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
80 Health	\$ -	\$ -	\$ -	\$ -	\$ -
81 Culture and Recreation	\$ -	\$ -	\$ -	\$ -	\$ -
82 Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
83 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
84 Debt Service					
85 Principal	\$ -	\$ -	\$ -	\$ -	\$ -
86 Interest	\$ -	\$ -	\$ -	\$ -	\$ -
87 Bond Issuance Costs	\$ -	\$ -	\$ -	\$ -	\$ -
88 Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
89	\$ -	\$ -	\$ -	\$ -	\$ -
90	\$ -	\$ -	\$ -	\$ -	\$ -
91 Total Expenditures (Add lines 70 through 90)	\$ 75,690	\$ -	\$ -	\$ -	\$ 75,690
92 Net Interfund Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -
93	\$ -	\$ -	\$ -	\$ -	\$ -
94	\$ -	\$ -	\$ -	\$ -	\$ -
95	\$ -	\$ -	\$ -	\$ -	\$ -
96	\$ -	\$ -	\$ -	\$ -	\$ -
97	\$ -	\$ -	\$ -	\$ -	\$ -
98	\$ -	\$ -	\$ -	\$ -	\$ -
98 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 68, plus line 92, less line 91)	\$ 38,523	\$ -	\$ -	\$ -	\$ 38,523
99 Fund Equity, January 1 (from December 31 prior year report)	\$ 2,200	\$ -	\$ -	\$ -	\$ 2,200
100 Fund Equity, December 31 (add lines 99 and 100 - this total should be the same as line 34 in PART 1)	\$ 40,723	\$ -	\$ -	\$ -	\$ 40,723
101					

PART 3 - DEBT OUTSTANDING, ISSUED AND RETIRED

Please answer the following questions by marking in the appropriate boxes.				Yes	No	
3-1	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	\$ 1,388,388	\$ 1,500	\$ -	\$ 1,389,888	G
	Other (specify): Interest	\$ 163,078	\$ 111,210	\$ -	\$ 274,288	G
	Total	\$ 1,551,466	\$ 112,710	\$ -	\$ 1,664,176	

Please answer the following questions by marking in the appropriate boxes.				Yes	No
3-2	Does the entity have authorized, but unissued debt?			X	
If yes:	How much?	\$	4,000,000		
	Date debt was authorized:		11/2/2004		
3-3	Does the entity intend to issue debt within the next calendar year (2009)?				X
If yes:	How much?	\$	-		

Please answer the following question by marking in the appropriate boxes.				Yes	No
3-4	Does the entity have defeased debt?				X
If yes:	What is the amount outstanding?	\$	-		

Please answer the following questions by marking in the appropriate boxes.				Yes	No
3-5	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 entity's annual lease payments?	\$	-		

PART 4 - CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR

Please provide the entity's cash deposit and investment balances.			Amount	Total
4-1	Checking Accounts		\$ 246	
4-2	Savings Accounts		\$ -	
4-3	Certificates of Deposit		\$ -	
	Total Cash Deposits			\$ 246
	Investments (if investment is a mutual fund, please list underlying investments):			
4-4	Colotrust Government Pool		\$ 41,396	
4-5			\$ -	
4-6			\$ -	
4-7			\$ -	
	Total Investments			\$ 41,396
	Total Cash and Investments			\$ 41,642

Please answer the following questions by marking in the appropriate boxes.			Yes	No
4-3	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 5 - CAPITAL ASSETS

		Beginning of the Year	Additions	Deletions	End of Year Balance
5-1	For Governmental Funds				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ 1,259,370	\$ -	\$ -	\$ 1,259,370
	Accumulated Depreciation	\$ (57,920)	\$ (42,105)	\$ -	\$ (100,025)
	Other	\$ -	\$ -	\$ -	\$ -
	Total for Governmental Funds	\$ 1,201,450	\$ (42,105)	\$ -	\$ 1,159,345

		Beginning of the Year	Additions	Deletions	End of Year Balance
5-2	For Proprietary Funds				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -	\$ -
	Total for Proprietary Funds	\$ -	\$ -	\$ -	\$ -

Please Answer the following questions by marking in the appropriate boxes.		Yes	No
5-3	Did the entity inventory the capital assets? (Section 29-1-506, C.R.S.)? If no, please explain:	X	

PART 6 - PENSION INFORMATION



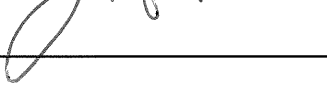
Please Answer the following questions by marking in the appropriate boxes.		Yes	No
6-1	Does the entity have an "old hire" fire pension plan?		X
6-2	Does the entity have a volunteer firemen's pension plan?		X
If yes:	Who administers the plan?		
	Indicate the contributions from:		
	Tax: (Property, SO, Sales, etc)	\$ -	
	State Contribution Amount:	\$ -	
	Other: (Gifts, Donations, etc)	\$ -	
	What is your monthly benefit paid for 20 years of service per retiree as of Jan 1st?	\$ -	

PART 7 - BUDGET INFORMATION

Please Answer the following questions by marking in the appropriate boxes.		Yes	No
7-1	Did the entity file a 2007 budget with the Department of Local Affairs? If no, please explain:	X	
If yes:	Please indicate the amount appropriated for each of your funds for 2008:		
	Fund Name	Budgeted 2008 Expenditures	
	General Fund	\$ 114,391	
	Capital Fund	\$ -	
		\$ -	

PART 8 - TABOR			
Please Answer the following questions by marking in the appropriate boxes.		Yes	No
8-1	Is the entity in compliance with all the provisions of TABOR? [State Constitution Article X, Section 20 (5)]? If no, please explain:	X	
Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3% emergency reserve requirement. In this case, you should see if the entity meets this requirement and check yes or no above.			

PART 9 - GENERAL INFORMATION			
Please Answer the following questions by marking in the appropriate boxes.		Yes	No
9-1	Is this entity a newly formed governmental entity?		X
9-2	Is this a metropolitan district?	X	
9-3	Please indicate what services you provide: Sanitation & Storm Drainage, Water, Streets, Traffic & Safety Controls, Park and Recreation, Mosquito Control, Television Relay & Translation		
9-4	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 10 - GOVERNING BODY APPROVAL			
<p>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.</p>			
<p>Note: Please list all current members of the governing body. In addition, original signatures <u>must</u> be provided for a majority of those listed.</p>			
	Name (please print or type all current members of the governing body)	Date Term Expires	Original Signature (unless resolution is attached)
1	Don Marostica	May-12	
2	Nathan Klein	May-10	
3	Blaine Rappe	May-12	
4	Eric Holsapple	May-12	
5	Tracy Holsapple	May-10	
6			
7			