

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT **VDW Metropolitan District No. 3**
 ADDRESS **c/o Pinnacle Consulting Group, Inc.
 1627 E. 18th Street
 Loveland, CO 80536**
 CONTACT PERSON **Brendan Campbell, CPA**
 PHONE **(970)669-3611**
 EMAIL **brendanc@pinnacleconsultinggroupinc.com**
 FAX **(970)669-3612**

For the Year Ended
 12/31/2016
 or fiscal year ended:

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 **Brendan Campbell, CPA**
 TITLE **District Accountant**
 FIRM NAME (if applicable) **Pinnacle Consulting Group, Inc.**
 ADDRESS **1627 E. 18th Street, Loveland, CO 80536**
 PHONE **(970)669-3611**
 DATE PREPARED **2/23/2016**
(Must be Completed prior to Board approval)
 RELATIONSHIP TO ENTITY **District Accountant**

PREPARER (SIGNATURE REQUIRED)



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 ☒

If Yes, date filed:

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

• Indicate Name of Fund
NOTE: Attach additional sheets as necessary.

Governmental Funds				Proprietary/Fiduciary Funds			
Line #	Description	General Fund*	Fund*	Description	Fund*	Fund*	
Assets							
1-1	Cash & Cash Equivalents	\$ 1,672	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets (specify)			Other Current Assets	\$ -	\$ -	
1-5	Property Tax Receivable	\$ 286,916	\$ -	Total Current Assets	\$ -	\$ -	
1-6		\$ -	\$ -	Capital Assets, net	\$ -	\$ -	
1-7		\$ -	\$ -	(from Part			
1-8		\$ -	\$ -	Other Long Term Assets (specify)	\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10)	\$ 286,588	\$ -	(add lines 1-1 through 1-10)	\$ -	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 286,588	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities							
1-14	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ 1,672	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ 1,672	\$ -	TOTAL CURRENT LIABILITIES	\$ -	\$ -	
1-20	All Other Liabilities (specify)	\$ -	\$ -	Proprietary Debt Outstanding	(from Part 4-4)	\$ -	
1-21		\$ -	\$ -	Other Liabilities (specify)	\$ -	\$ -	
1-22		\$ -	\$ -		\$ -	\$ -	
1-23		\$ -	\$ -		\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27		\$ -	\$ -		\$ -	\$ -	
1-28	(add lines 1-19 through 1-27)	\$ 1,672	\$ -	(add lines 1-19 through 1-27)	\$ -	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 286,916	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
Fund Balance							
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Position			
1-31	Nonspendable Inventory	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-32	Restricted (specify)	\$ -	\$ -				
1-33	Committed (specify)	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Assigned (specify)	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Unassigned:	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36				Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
	Add lines 1-30 through 1-35						
	This total should be the same as line 3-33						
	TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-30 through 1-35			
1-37				This total should be the same as line 3-33			
	Add lines 1-28, 1-29 and 1-36			TOTAL NET POSITION	\$ -	\$ -	
	This total should be the same as line 1-13						
	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 286,588	\$ -	Add lines 1-28, 1-29 and 1-36			
				This total should be the same as line 1-13			
				TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -	

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

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Governmental Funds				Proprietary/Fiduciary Funds				Please use this space to provide explanation of any items on this page
Line #	Description	General Fund	Fund	Description	Fund	Fund		
	Tax Revenue			Tax Revenue				
2-1	Property	\$ 251,242	\$ -	Property	\$ -	\$ -		
2-2	Specific Ownership	\$ 20,173	\$ -	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	\$ 271,414	\$ -	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	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -		
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -		
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -		
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -		
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -		
2-21	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -		
2-22	All Other (specify):	\$ -	\$ -	All Other (specify):	\$ -	\$ -		
2-23		\$ -	\$ -		\$ -	\$ -		
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 271,414	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -		
	Other Financing Sources			Other Financing Sources				
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -		
2-26	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -		
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	\$ -	\$ -		
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 271,414	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -		
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				OSU Local Government Division at (303) 869-3000 for assistance.				

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES

Governmental Funds				Proprietary/Fiduciary Funds				Please use this space to provide explanation of any items on this page
Line #	Description	General Fund*	Fund*	Description	Fund*	Fund*		
3-1	Expenditures General Government	\$	271,414	\$	-	\$	-	
3-2	Judicial	\$	-	\$	-	\$	-	
3-3	Law Enforcement	\$	-	\$	-	\$	-	
3-4	Fire	\$	-	\$	-	\$	-	
3-5	Highways & Streets	\$	-	\$	-	\$	-	
3-6	Solid Waste	\$	-	\$	-	\$	-	
3-7	Contributions to Fire & Police Pension Assoc.	\$	-	\$	-	\$	-	
3-8	Health	\$	-	\$	-	\$	-	
3-9	Culture and Recreation	\$	-	\$	-	\$	-	
3-10	Other (specify):	\$	-	\$	-	\$	-	
3-11		\$	-	\$	-	\$	-	
3-12		\$	-	\$	-	\$	-	
3-13		\$	-	\$	-	\$	-	
3-14	Capital Outlay Debt Service	\$	-	\$	-	\$	-	
3-15	Principal	\$	-	\$	-	\$	-	
3-16	Interest	\$	-	\$	-	\$	-	
3-17	Bond Issuance Costs	\$	-	\$	-	\$	-	
3-18	Developer Principal Repayments	\$	-	\$	-	\$	-	
3-19	Developer Interest Repayments	\$	-	\$	-	\$	-	
3-20	All Other (specify):	\$	-	\$	-	\$	-	
3-21		\$	-	\$	-	\$	-	
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$	271,414	\$	-	\$	-	
3-23	Interfund Transfers (In)	\$	-	\$	-	\$	-	
3-24	Interfund Transfers out	\$	-	\$	-	\$	-	
3-25	Other Expenditures (Revenue):	\$	-	\$	-	\$	-	
3-26		\$	-	\$	-	\$	-	
3-27		\$	-	\$	-	\$	-	
3-28		\$	-	\$	-	\$	-	
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$	-	\$	-	\$	-	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 3-29, less line 3-22, plus line 3-29	\$	-	\$	-	\$	-	
3-31	Fund Balance, January 1 from December 31 prior year report	\$	-	\$	-	\$	-	
3-32	Prior Period Adjustment (MUST explain)	\$	-	\$	-	\$	-	
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 This total should be the same as line 1-36.	\$	-	\$	-	\$	-	
IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) 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		
4-1 Does the entity have outstanding debt?	☐	☒		
4-2 Is the debt repayment schedule attached? If no, MUST explain:	☐	☒		
4-3 Is the entity current in its debt service payments? If no, MUST explain:	☒	☐		
4-4 Please complete the following debt schedule, if applicable. (please only include principal amounts)				
General obligation bonds	Outstanding at beginning of year	Issued during year	Retired during year	Outstanding at year-end
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -
Please answer the following questions by marking the appropriate boxes.				
4-5 Does the entity have any authorized, but unused, debt?	☒	YES	☐	NO
If yes:	How much?	\$ 11,800,000		
	Date the debt was authorized:	2/15/2002		
4-6 Does the entity intend to issue debt within the next calendar year?	☐		☒	
If yes:	How much?	\$ -		
4-7 Does the entity have debt that has been refinanced that it is still responsible for?	☐		☒	
If yes:	What is the amount outstanding?	\$ -		
4-8 Does the entity have any lease agreements?	☐		☒	
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?	\$ -		
4-9 Does the entity have a certified mill levy?	☒		☐	
If yes:	Please provide the following mills levied for the year reported:			
	Bond Redemption	22.076		
	General/Other	17.924		
	TOTAL	40.000		

Please use this space to provide any explanations or comments.

The District has pledged revenues to VDW District No. 1 and No. 2 for debt service repayment.

PART 5 - CASH AND INVESTMENTS

AMOUNT TOTAL

Please provide the entity's cash deposit and investment balances.			
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)			
5-3	\$ -		
	\$ -		
	\$ -		
TOTAL INVESTMENTS	\$ -		
TOTAL CASH AND INVESTMENTS	\$ -		
Please answer the following question by marking in the appropriate box			
5-4 Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	☐	YES	☒
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:	☐	NO	☒

Please use this space to provide any explanations or comments.

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box

	YES	NO
6-1 Does the entity have capitalized 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.	☐	☒
N/A		

Please use this space to provide any explanations or comments:

6-3

Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year	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)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

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

	Balance - beginning of the year	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)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box

	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?	☐	☒

Please use this space to provide any explanations or comments:

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 12

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box	YES	NO	N/A	
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.	☒	☐	☐	Please use this space to provide any explanations or comments.
8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-106 C.R.S.? If no, MUST explain.	☒	☐	☐	
If yes: Please indicate the amount appropriated for each fund for the year reported				
General Fund	Fund Name	Budgeted Expenditures	280,084	
			-	
			-	

PART 9 - TAX PAYERS 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.	☒	☐	Please use this space to provide any explanations or comments.

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box	YES	NO	
10-1 Is this application for a newly formed governmental entity? If yes: Date of formation:	☐	☒	Please use this space to provide any explanations or comments.
10-2 Has the entity changed its name in the past or current year? If Yes: NEW name:	☐	☒	
PRIOR name:			
10-3 Is the entity a metropolitan district?	☒	☐	
10-4 Please indicate what services the entity provides: Streets, traffic & safety, water facilities, sanitary sewer, storm drainage, parks and recreation, transportation, television relay, mosquito control	☐	☐	
10-5 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.	☒	☐	
All services provided by VDW Metropolitan District No. 1			
Please use this space to provide any additional explanations or comments not previously included:			

OSA USE ONLY

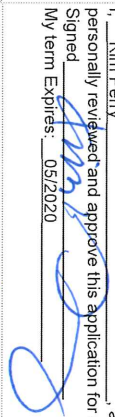
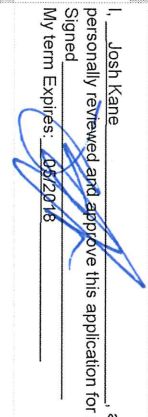
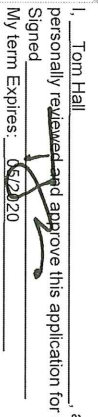
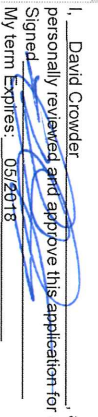
Entity Wide:	General Fund	Governmental Funds	Notes
Unrestricted Cash & Investments	-	Total Tax Revenue	271,414
Current Liabilities	1,672	Revenue Paying Debt Service	-
Deferred Inflow	286,916	Total Revenue	271,414
	Total Revenue	Total Debt Service Principal	-
	Total Expenditures	Total Debt Service Interest	-
	Interfund In		
	1,672	Enterprise Funds	
	Interfund Out	Net Position	-
	Proprietary	PY Net Position	-
	Current Assets	Government-Wide	
	251,242	Total Outstanding Debt	11,800,000
	Deferred Outflow	Authorized but Unissued	37,302
	271,414	Year Authorized	
	Cash & Investments		
	-	Principal Expense	
	-		

PART 12 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this 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 \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting, completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

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	Print Board Member's Name	Signature	Date
1	Kim Perry		3.16.17
2	Josh Kane		3.16.17
3	Tom Hall		
4	David Crowder		3.16.17
5			
6			
7			