

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
ANNUAL REPORT
TO
DOUGLAS COUNTY, COLORADO
FISCAL YEAR ENDING DECEMBER 31, 2011**

Pursuant to the Cherokee Ridge Estates Metropolitan District Service Plan, the District is required to provide an annual report to Douglas County by April 15, 2012, for the fiscal year ending December 31, 2011. This annual report contains information concerning the following matters:

- A. List of Board of Directors;
- B. Boundary changes made or proposed;
- C. Intergovernmental Agreements entered into or proposed;
- D. Changes or proposed changes in the District's policies;
- E. Changes or proposed changes in the District's operations;
- F. Any changes in the financial status of the District including revenue projections or operating costs;
- G. A summary of any litigation involving the District;
- H. Proposed plans for the year immediately following the year summarized in the annual report;
- I. Status of construction of public improvements;
- J. The current assessed valuation in the District;
- K. Information on all debt transactions during the year; and
- L. Status of build-out and current district population.

For the year ending December 31, 2011, the District makes the following report:

A. List of Board or Directors.

<u>Name</u>	<u>Position</u>	<u>Term Expiration</u>
Michael C. Gass	President	May 2014
Laura DalPiaz	Treasurer	May 2012
James Reitz	Secretary	May 2014
Daniel Reinholtz	Assistant Secretary	May 2014
Pat Schurott	Assistant Secretary	May 2012

B. Boundary changes made or proposed.

No boundary changes were made to the District during 2011.

C. Intergovernmental Agreements entered into or proposed.

The District did not enter into any IGAs in 2011.

D. Changes or proposed changes in the District's policies.

On December 7, 2011, the District approved a written set of Rules and Regulations related to District water and wastewater.

E. Changes or proposed changes in the District's operations.

The District continues to own and maintain all common areas, including the streets.

The District continues to use the services of a District Manager to oversee the majority of District operations.

F. Any changes in the financial status of the District including revenue projections or operating costs.

The current status of the financial condition is reflected in the adopted 2012 budget, which is attached as Exhibit A. In addition, the District's 2011 Application for Exemption from Audit is attached as Exhibit B.

G. A summary of any litigation involving the District.

There is no litigation of which we are aware currently pending or anticipated against the District.

H. Proposed plans for the year immediately following the year summarized in the annual report.

In 2012, the District plans to complete the installation of lights near the front entrance; repair and restoration of its street sign monuments; and revision to its front entrance landscaping for increased water efficiency.

I. Status of the construction of public improvements.

Same as section H.

J. The current assessed valuation in the District.

The District has received a certification of valuation from the Douglas County Assessor that reports a taxable assessed valuation for the District for 2011 of \$4,087,060. The District certified a mill levy of 50.000 mills to be assessed against property within the District, for collection in 2012.

K. Information on all debt transactions during the year.

There were no debt transactions in 2011.

L. Status of build-out and current district population.

There are 44 residential lots, of which 24 contain completed or partially completed homes. The current population of the District is approximately 48.

EXHIBIT A
2012 BUDGET

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
2012
BUDGET MESSAGE

Attached please find a copy of the adopted 2012 budget for the Cherokee Ridge Estates Metropolitan District.

The Cherokee Ridge Estates Metropolitan District has adopted three separate funds, a General Fund to provide for operating expenditures and general maintenance and transfers to the Capital Projects Fund; a Debt Service Fund to provide for payments on the Series 2005 general obligation bonds; and a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built by the District.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenues for the District in 2012 will be property taxes and specific ownership taxes. The District intends to impose a 50.000 mill levy on property within the District for 2012, of which 30.000 mills will be dedicated to the General Fund and the balance of 20.000 mills will be allocated to the Debt Service Fund.

Cherokee Ridge Estates Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2012

	Actual <u>2010</u>	Adopted Budget <u>2011</u>	Actual <u>9/30/2011</u>	Estimate <u>2011</u>	Adopted Budget <u>2012</u>
Beginning fund balance	\$ 78,708	\$ 97,506	\$ 94,316	\$ 94,316	\$ 147,544
Revenues:					
Property taxes	136,542	143,779	142,837	143,779	122,612
Specific ownership taxes	9,120	11,488	7,188	9,500	8,583
Development fees	-	5,000	-	14,008	-
Landscape review fees	200	-	-	-	-
Miscellaneous income	-	-	167	167	-
Interest income	1,860	-	868	1,000	1,000
	<u>147,722</u>	<u>160,267</u>	<u>151,060</u>	<u>168,454</u>	<u>132,195</u>
Total revenues					
Total funds available	<u>226,430</u>	<u>257,773</u>	<u>245,376</u>	<u>262,770</u>	<u>279,739</u>
Expenditures:					
Accounting / audit	4,740	5,000	2,960	4,500	5,000
Insurance	3,080	3,500	3,070	3,070	3,500
Legal	19,928	20,000	13,940	19,000	20,000
Miscellaneous	-	500	309	500	500
Directors' fees	-	-	-	-	-
Election expense	-	-	-	-	5,000
Office expense	-	650	-	-	650
County treasurer fees	2,066	2,156	2,148	2,156	1,838
Utilities	2,602	5,500	2,190	5,500	5,500
Landscape maintenance	38,737	24,000	22,093	26,000	30,000
Snow removal	385	15,000	5,495	10,000	15,000
District management	6,365	6,500	4,662	6,500	10,800
Permit fees	-	1,000	-	-	1,000
Maintenance	1,001	-	-	-	-
Maintenance - lighting	-	1,600	455	1,000	1,600
Maintenance - waterfall	-	1,000	-	-	-
Maintenance - Gate	5,170	5,000	3,304	5,000	5,000
Maintenance - Streets	16,266	10,000	-	-	10,000
Maintenance - Wells	5,359	5,500	-	-	5,500
Lighting / light fixture upgrades					60,000
Front entrance repairs					25,000
Annual beautification	-	3,000	-	3,000	4,000
Well inspections	-	1,200	-	-	1,200
Septic maintenance					1,000
Septic inspections	1,415	1,000	2,395	4,000	5,000
Emergency reserve (3%)	-	954	-	-	6,513
Transfer to Capital Projects	25,000	25,000	-	25,000	25,000
Contingency	-	119,713	-	-	31,138
	<u>132,114</u>	<u>257,773</u>	<u>63,021</u>	<u>115,226</u>	<u>279,739</u>
Total expenditures					
Ending fund balance	\$ 94,316	\$ -	\$ 182,355	\$ 147,544	\$ 0
Assessed Valuation	\$ 4,456,780	\$ 4,792,620	\$ 4,792,620	\$ 4,792,620	\$ 4,087,060
Mill levy	<u>30.000</u>	<u>30.000</u>	<u>30.000</u>	<u>30.000</u>	<u>30.000</u>

Cherokee Ridge Estates Metropolitan District
Adopted Budget
Capital Fund
For the Year ended December 31, 2012

	Actual <u>2010</u>	Adopted Budget <u>2011</u>	Actual <u>9/30/2011</u>	Estimate <u>2011</u>	Adopted Budget <u>2012</u>
Beginning fund balance	\$ 16,632	\$ 632	\$ 961	\$ 961	\$ 25,961
Revenues:					
Miscellaneous	-	-	-	-	-
Transfer from General Fund	25,000	25,000	-	25,000	25,000
Interest income	-	-	-	-	-
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total funds available	<u>41,632</u>	<u>25,632</u>	<u>961</u>	<u>25,961</u>	<u>50,961</u>
Expenditures:					
Legal	-	-	-	-	-
Accounting	-	-	-	-	-
Engineering	-	-	-	-	-
District / Landscape improvements	40,671	25,632	-	-	50,961
Transfer to debt service	-	-	-	-	-
Total expenditures	<u>40,671</u>	<u>25,632</u>	<u>-</u>	<u>-</u>	<u>50,961</u>
Ending fund balance	<u>\$ 961</u>	<u>\$ -</u>	<u>\$ 961</u>	<u>\$ 25,961</u>	<u>\$ -</u>

Cherokee Ridge Estates Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2012

	Actual <u>2010</u>	Adopted Budget <u>2011</u>	Actual <u>9/30/2011</u>	Estimate <u>2011</u>	Adopted Budget <u>2012</u>
Beginning fund balance	\$ 108,630	\$ 101,579	\$ 105,339	\$ 105,339	\$ 108,450
Revenues:					
Property taxes	91,028	95,852	90,027	95,852	81,741
Specific ownership taxes	6,080	8,627	3,158	8,627	7,357
Interest income	980	500	162	320	500
Transfer from Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>98,088</u>	<u>104,979</u>	<u>93,347</u>	<u>104,799</u>	<u>89,598</u>
Total funds available	<u>206,718</u>	<u>206,558</u>	<u>198,686</u>	<u>210,138</u>	<u>198,048</u>
Expenditures:					
Bond principal	30,000	30,000	-	30,000	30,000
Bond interest	69,750	68,250	34,125	68,250	66,750
Paying agent fees	250	2,000	-	2,000	2,000
Treasurer fees	<u>1,379</u>	<u>1,438</u>	<u>1,352</u>	<u>1,438</u>	<u>1,226</u>
Total expenditures	<u>101,379</u>	<u>101,688</u>	<u>35,477</u>	<u>101,688</u>	<u>99,976</u>
Ending fund balance	<u>\$ 105,339</u>	<u>\$ 104,870</u>	<u>\$ 163,209</u>	<u>\$ 108,450</u>	<u>\$ 98,072</u>
Assessed Valuation	<u>\$ 4,456,780</u>	<u>\$ 4,792,620</u>	<u>\$ 4,792,620</u>	<u>\$ 4,792,620</u>	<u>\$ 4,087,060</u>
Mill Levy	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>
Total Mill Levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>

EXHIBIT B
APPLICATION FOR EXEMPTION FROM AUDIT 2011

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

Name of Government:	Cherokee Ridge Estates Metropolitan District	For the Fiscal Year Ended December 31, 2011 or fiscal year ended:
Address:	c/o Seter & Vander Wall PC 7400 E Orchard Road, Suite 3300 Greenwood Village, CO 80111	
Contact Person:	Staci Usagani	
Telephone:	303-770-2700	
Email:	susagini@svwpc.com	
Fax:		

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.

**PLEASE READ THE ABOVE INSTRUCTIONS
BEFORE SUBMITTING THE COMPLETED
APPLICATION**

Section 29-1-604, C.R.S., outlines the provisions for an exemption from audit. Generally, any local government for which neither revenue nor expenditures exceed \$500,000 in any fiscal year may 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.**

Please review ALL instructions prior to the completion of this form.

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

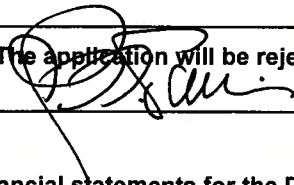
1. Prepare this form completely and accurately. Please note that there are 11 parts to this form and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year. For years ended 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 personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
 - a. Resolution of the governing body - application may be emailed, faxed, or mailed.
 - b. Original signatures - application must be mailed. Email 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:	John W. Simmons
Title:	CPA
Firm Name (if applicable):	Simmons & Wheeler, P.C.
Address:	8005 S. Chester Street, Suite 150 Centennial, CO 80112
Telephone Number:	303-689-0833
Date Prepared:	3/26/12

Preparer Signature (Required): The application will be rejected if not signed by the preparer.



Relationship to entity: CPA engaged to prepare financial statements for the District

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 above what your relationship is with the entity.

PART 1 - Financial Statements - Balance Sheet

Ln #	Description	Governmental Funds		Debt Service Fund*	Description	Proprietary/Fiduciary Funds	
		General Fund*				Fund*	Fund*
1-1	Assets				Assets		
1-2	Cash & Cash Equivalents	\$ 151,250	\$ 106,813		Cash & Cash Equivalents	\$ -	\$ -
1-3	Investments	\$ -	\$ -		Investments	\$ -	\$ -
1-4	Receivables	\$ 760	\$ 507		Receivables	\$ -	\$ -
1-5	Due from Other Entities or Funds	\$ -	\$ -		Due from Other Entities or Funds	\$ -	\$ -
1-6	Other Assets (specify)	\$ -	\$ -		Capital Assets, net (from Part 6-2)	\$ -	\$ -
1-7	Prepaid expenses	\$ 4,386	\$ -		Other Assets (specify)	\$ -	\$ -
1-8	A/R - Development fee	\$ 1,992	\$ -			\$ -	\$ -
1-9	Deferred Tax Asset	\$ 122,612	\$ 81,741			\$ -	\$ -
1-10		\$ -	\$ -			\$ -	\$ -
1-11	Total Assets (add lines 1-2 through 1-10)	\$ 281,000	\$ 189,061		Total Assets (add lines 1-2 through 1-10)	\$ -	\$ -
1-12	Liabilities and Fund Equity				Liabilities and Fund Equity		
1-13	Liabilities				Liabilities		
1-14	Accounts Payable	\$ 10,844	\$ -		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	\$ -	\$ -		Due to Other Entities or Funds	\$ -	\$ -
1-18	Other Liabilities (specify)	\$ -	\$ -		Proprietary Debt Outstanding (from Part 4-1)	\$ -	\$ -
1-19	Deferred Tax Liability	\$ 122,612	\$ 81,741		Other Liabilities (specify)	\$ -	\$ -
1-20		\$ -	\$ -			\$ -	\$ -
1-21		\$ -	\$ -			\$ -	\$ -
1-22		\$ -	\$ -			\$ -	\$ -
1-23		\$ -	\$ -			\$ -	\$ -
1-24		\$ -	\$ -			\$ -	\$ -
1-25		\$ -	\$ -			\$ -	\$ -
1-26	Total Liabilities (add lines 1-14 through 1-25)	\$ 133,456	\$ 81,741		Total Liabilities (add lines 1-14 through 1-25)	\$ -	\$ -
1-27	Equity				Equity		
1-28					Investment in Capital Assets, Net of Debt	\$ -	\$ -
1-29	Fund Equity				Fund Equity		
1-30	Emergency Reserves	\$ 6,513	\$ -		Emergency Reserves	\$ -	\$ -
1-31	Other Designations/Reserves	\$ 4,386	\$ -		Other Designations/Reserves	\$ -	\$ -
1-32	Restricted	\$ -	\$ 107,320		Restricted	\$ -	\$ -
1-33	Undesignated/Unreserved/Unrestricted	\$ 136,645	\$ -		Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-34	Total Equity (add lines 1-30 through 1-33) This total should be the same as line 3-33.	\$ 147,544	\$ 107,320		Total Equity (add lines 1-28 through 1-33) This total should be the same as line 3-33.	\$ -	\$ -
1-35	Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11.	\$ 281,000	\$ 189,061		Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11.	\$ -	\$ -

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

PART 2 - Financial Statements - Operating Statement - Revenue

	Governmental Funds		Proprietary/Fiduciary Funds		Total of All Funds
	General Fund*	Debt Service Fund*	Fund*	Fund*	
2-1 Revenues and Other Financing Sources					
2-2 Taxes					
2-3 Property	\$ 142,840	\$ 95,227	\$ -	\$ -	\$ -
2-4 Specific Ownership	\$ 9,498	\$ 6,332	\$ -	\$ -	\$ -
2-5 Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -
2-6 Other (specify) Other income	\$ 65	\$ -	\$ -	\$ -	\$ -
2-7 Remote fees	\$ 100	\$ -	\$ -	\$ -	\$ -
2-8	\$ -	\$ -	\$ -	\$ -	\$ -
2-9	\$ -	\$ -	\$ -	\$ -	\$ -
2-10 Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -
2-11 Intergovernmental					
2-12 Highway Users 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	\$ 1,045	\$ 353	\$ -	\$ -	\$ -
2-24 Tap Fees	\$ -	\$ -	\$ -	\$ -	\$ -
2-25	\$ -	\$ -	\$ -	\$ -	\$ -
2-26 Total Revenues (Add lines 2-3 through 2-25)	\$ 153,548	\$ 101,912	\$ -	\$ -	\$ -
2-27 Other Financing Sources					
2-28 Debt Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
2-29 Proceeds from Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
2-30 Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Add lines 2-28 through 2-30)	\$ -	\$ -	\$ -	\$ -	\$ -
2-31	\$ -	\$ -	\$ -	\$ -	\$ -
2-32 Total Revenues and Other Financing Sources (Add lines 2-26 and 2-31)	\$ 153,548	\$ 101,912	\$ -	\$ -	\$ 255,460

Note: If Total Revenues and Other Financing Sources - Total of All Funds (Line 2-32) are greater than \$500,000 - STOP, you may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact us at (303) 866-3338 for assistance.

PART 3 - Financial Statements - Operating Statement - Expenditures

	Governmental Funds		Expenditures	Proprietary/Fiduciary Funds		Total of All Funds
	LEVENA Fund*	DEPT/SEWIS Fund*		Fund*	Fund*	
3-1 Expenditures						
3-2 General Government	\$ 38,613	\$ 1,431	General Operating & Administrative	\$ -	\$ -	
3-3 Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-4 Public Safety			Payroll Taxes	\$ -	\$ -	
3-5 Law Enforcement	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-6 Fire	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-7 Other Landscape & park maintenance	\$ 40,936	\$ -	Insurance	\$ -	\$ -	
3-8 Public Works			Accounting and Legal Fees	\$ -	\$ -	
3-9 Highways & Streets	\$ 8,135	\$ -	Repair and Maintenance	\$ -	\$ -	
3-10 Solid Waste	\$ -	\$ -	Supplies	\$ -	\$ -	
3-11 Other (specify)	\$ -	\$ -	Utilities	\$ -	\$ -	
3-12 Health	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-13 Culture and Recreation	\$ -	\$ -	Other (specify)	\$ -	\$ -	
3-14 Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
3-15 Capital Outlay	\$ -	\$ -	Debt Service			
3-16 Debt Service			Principal	\$ -	\$ -	
3-17 Principal	\$ -	\$ 30,000	Interest	\$ -	\$ -	
3-18 Interest	\$ -	\$ 68,250	Bond Issuance Costs	\$ -	\$ -	
3-19 Bond Issuance Costs	\$ -	\$ -	Other (specify)	\$ -	\$ -	
3-20 Other Paying agent fees	\$ -	\$ 250		\$ -	\$ -	
3-21	\$ -	\$ -		\$ -	\$ -	
3-22	\$ -	\$ -		\$ -	\$ -	
3-23 Total Expenditures (Add lines 3-2 through 3-22)	\$ 87,684	\$ 99,931	Total Expenditures (Add lines 3-2 through 3-22)	\$ -	\$ -	\$ 187,615
3-24 Net Interfund Transfers In (Out)	\$ (12,636)	\$ -	Net Interfund Transfers In (Out)	\$ -	\$ -	
3-25	\$ -	\$ -	Accrual Basis Reconciling Items			
3-26	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-27	\$ -	\$ -	Other Financing Sources (from line 2-31)	\$ -	\$ -	
3-28	\$ -	\$ -	Capital Outlay (from line 3-15)	\$ -	\$ -	
3-29	\$ -	\$ -	Debt Principal (from line 3-17)	\$ -	\$ -	
3-30	\$ -	\$ -	Total Reconciling Items (Line 3-28, plus line 3-29, less line 3-26, less line 3-27)	\$ -	\$ -	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 2-32, less line 3-23, plus lines 3-24 through 3-31 30)	\$ 53,228	\$ 1,981	Net Increase (Decrease) in Equity (Line 2-32, plus line 3-24, plus line 3-30, less line 3-23)	\$ -	\$ -	
Fund Equity, January 1 from December 31 prior year report	\$ 94,316	\$ 105,339	Fund Equity, January 1 from December 31 prior year report	\$ -	\$ -	
Fund Equity, December 31 (Line 3-31 plus line 3-32 32) This total should be the same as line 1-34.	\$ 147,544	\$ 107,320	Fund Equity, December 31 (Line 3-31 plus line 3-32) This total should be the same as line 1-34.	\$ -	\$ -	

Note: If Total Expenditures - Total of All Funds (Line 3-23) are greater than \$500,000 - STOP, you may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact us at (303) 866-3338 for assistance.

PART 1 - Financial Statements - Balance Sheet

Ln #	Description	Governmental Funds		Proprietary/Fiduciary Funds	
		Capital Projects Fund*	Fund*	Fund*	Fund*
1-1	Assets				
1-2	Cash & Cash Equivalents	\$ 13,597	\$ -	\$ -	\$ -
1-3	Investments	\$ -	\$ -	\$ -	\$ -
1-4	Receivables	\$ -	\$ -	\$ -	\$ -
1-5	Due from Other Entities or Funds	\$ -	\$ -	\$ -	\$ -
1-6	Other Assets (specify)	\$ -	\$ -	\$ -	\$ -
1-7		\$ -	\$ -	\$ -	\$ -
1-8		\$ -	\$ -	\$ -	\$ -
1-9		\$ -	\$ -	\$ -	\$ -
1-10		\$ -	\$ -	\$ -	\$ -
1-11	Total Assets (add lines 1-2 through 1-10)	\$ 13,597	\$ -	\$ -	\$ -
1-12	Liabilities and Fund Equity				
1-13	Liabilities				
1-14	Accounts Payable	\$ -	\$ -	\$ -	\$ -
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	\$ -	\$ -
1-16	Accrued Interest Payable	\$ -	\$ -	\$ -	\$ -
1-17	Due to Other Entities or Funds	\$ -	\$ -	\$ -	\$ -
1-18	Other Liabilities (specify)	\$ -	\$ -	\$ -	\$ -
1-19		\$ -	\$ -	\$ -	\$ -
1-20		\$ -	\$ -	\$ -	\$ -
1-21		\$ -	\$ -	\$ -	\$ -
1-22		\$ -	\$ -	\$ -	\$ -
1-23		\$ -	\$ -	\$ -	\$ -
1-24		\$ -	\$ -	\$ -	\$ -
1-25		\$ -	\$ -	\$ -	\$ -
1-26	Total Liabilities (add lines 1-14 through 1-25)	\$ -	\$ -	\$ -	\$ -
1-27	Equity				
1-28					
1-29	Fund Equity				
1-30	Emergency Reserves	\$ -	\$ -	\$ -	\$ -
1-31	Other Designations/Reserves	\$ -	\$ -	\$ -	\$ -
1-32	Restricted	\$ 13,597	\$ -	\$ -	\$ -
1-33	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	\$ -	\$ -
1-34	Total Equity (add lines 1-30 through 1-33) This total should be the same as line 3-33.	\$ 13,597	\$ -	\$ -	\$ -
1-35	Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11.	\$ 13,597	\$ -	\$ -	\$ -

*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 2 - Financial Statements - Operating Statement - Revenue

		Governmental Funds		Proprietary/Fiduciary Funds		Total of All Funds
		Fund*	Fund*	Fund*	Fund*	
2-1	Revenues and Other Financing Sources					
2-2	Taxes					
2-3	Property	\$ -	\$ -	\$ -	\$ -	
2-4	Specific Ownership	\$ -	\$ -	\$ -	\$ -	
2-5	Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	
2-6	Other (specify)	\$ -	\$ -	\$ -	\$ -	
2-7		\$ -	\$ -	\$ -	\$ -	
2-8		\$ -	\$ -	\$ -	\$ -	
2-9		\$ -	\$ -	\$ -	\$ -	
2-10	Licenses and Permits	\$ -	\$ -	\$ -	\$ -	
2-11	Intergovernmental					
2-12	Highway Users 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)	\$ -	\$ -	\$ -	\$ -	
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)	\$ -	\$ -	\$ -	\$ -	\$ -

Note: If Total Revenues and Other Financing Sources - Total of All Funds (Line 2-32) are greater than \$500,000 - **STOP**, you may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact us at (303) 866-3338 for assistance.

PART 3 - Financial Statements - Operating Statement - Expenditures

	Governmental Funds		Proprietary/Fiduciary Funds		Total of All Funds
	CAPITAL Fund*	Fund*	Fund*	Fund*	
3-1 Expenditures					
3-2 General Government	\$ -	\$ -	\$ -	\$ -	\$ -
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 Fire & Police Pension Assoc.	\$ -	\$ -	\$ -	\$ -	\$ -
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)	\$ -	\$ -	\$ -	\$ -	\$ -
3-24 Net Interfund Transfers In (Out)	\$ 12,636	\$ -	\$ -	\$ -	\$ 12,636
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 3-31 30)	\$ 12,636	\$ -	\$ -	\$ -	\$ 12,636
Fund Equity, January 1 from December 31 prior year report	\$ 961	\$ -	\$ -	\$ -	\$ 961
Fund Equity, December 31 (Line 3-31 plus line 3-33-32) This total should be the same as line 1-34.	\$ 13,597	\$ -	\$ -	\$ -	\$ 13,597

Note: If Total Expenditures - Total of All Funds (Line 3-23) are greater than \$500,000 - STOP, you may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact us at (303) 866-3338 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED

Please answer the following questions by marking in the appropriate boxes.				Yes	No	
4-1	Does the entity have debt?			X		
If yes:	Is the debt repayment schedule attached? If no, please explain:			X		
	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	\$ 1,110,000	\$ -	\$ 30,000	\$ 1,080,000	G
	Revenue Bonds	\$ -	\$ -	\$ -	\$ -	
	Notes/Loans	\$ -	\$ -	\$ -	\$ -	
	Leases	\$ -	\$ -	\$ -	\$ -	
	Developer Advances	\$ -	\$ -	\$ -	\$ -	
	Other (specify):	\$ -	\$ -	\$ -	\$ -	
	Total	\$ 1,110,000	\$ -	\$ 30,000	\$ 1,080,000	
Please answer the following questions by marking in the appropriate boxes.				Yes	No	
4-2	Does the entity have authorized, but unissued, debt?			X		
If yes:	How much?	\$	8,805,000			
	Date the debt was authorized:		11/1/2002			
4-3	Does the entity intend to issue debt within the next calendar year (2012)?				X	
If yes:	How much?	\$	-			
Please answer the following questions by marking in the appropriate boxes.				Yes	No	
4-4	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	
4-5	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 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
5-1	Checking accounts	\$ 3,182	
5-2	Savings accounts	\$ 169,345	
5-3	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 172,527
	Investments (if investment is a mutual fund, please list underlying investments):		
5-4	CSAFE	\$ 99,133	
5-5		\$ -	
5-6		\$ -	
5-7		\$ -	
	Total Investments		\$ 99,133
	Total Cash and Investments		\$ 271,660
Please answer the following question by marking in the appropriate box		Yes	No
5-8	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, please explain:	X	

PART 6 - CAPITAL ASSETS

		Beginning of the Year	Additions	Deletions	Year-End Balance
6-1	For Governmental Funds				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ 1,018,878	\$ -	\$ -	\$ 1,018,878
	Accumulated depreciation	\$ (113,062)	\$ (32,312)	\$ -	\$ (145,374)
	Other	\$ -	\$ -	\$ -	\$ -
	Total for Governmental Funds	\$ 905,816	\$ (32,312)	\$ -	\$ 873,504

		Beginning of the Year	Additions	Deletions	Year-End Balance
6-2	For Proprietary Funds				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -	\$ -
	Accumulated depreciation	\$ -	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -	\$ -
	Total for Proprietary Funds	\$ -	\$ -	\$ -	\$ -

Please answer the following question by marking in the appropriate box.		Yes	No
6-3	Has the entity performed an annual inventory of property 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	
7-1	Does the entity have an "old hire" fire pension plan?		X	
7-2	Does the entity have a volunteer firemen's pension plan?		X	
If yes:	Who administers the plan?	[Hatched Area]		
	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 1?	\$ -		

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No	
8-1	Did the entity file a 2011 budget with the Department of Local Affairs? If no, please explain:	X		
If yes:	Please indicate the amount appropriated for each fund for 2011:	[Hatched Area]		
	Fund Name			Budgeted 2011 Expenditures
	General Fund			\$ 257,773
	Capital Projects Fund			\$ 25,632
	Debt Service Fund			\$ 101,688
		\$ -		

PART 9 - TAX PAYER'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, 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 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.		

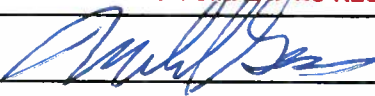


PART 10 - GENERAL INFORMATION

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 the entity provides: Streets, water, and park and recreation		
10-4	Does the entity have an agreement with another governmental entity to provide services?		X
If yes:	List the name of the other governmental entity and the services provided:		
10-5	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> 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 - N/A
If yes:	Date Filed:		X

PART 11 - GOVERNING BODY APPROVAL

We, the undersigned, certify that this Application for Exemption from Audit has been:
 Prepared consistently with Section 29-1-604, C.R.S., which states that a governmental entity with revenue and expenditures at least \$100,000 but not more than \$500,000 must have an application prepared by an independent accountant with knowledge of governmental accounting;
 Completed to the best of our knowledge and is accurate and true; and
 Personally 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. (Please sign using blue ink.) ✱

	Name (print names of all current members of the governing body)	Date Term Expires	Signatures of a majority of the governing body MUST BE ORIGINAL IF NO RESOLUTION IS INCLUDED
1	Michael C. Gass	5/1/2014	
2	Daniel M Reinholtz	5/1/2014	
3	James Reitz	5/1/2012	
4	Laura DalPiaz	5/1/2012	
5	Pat Schurott	5/1/2012	
6			
7			

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

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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.			

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10-4	Does the entity have an agreement with another governmental entity to provide services?		X
If yes:	List the name of the other governmental entity and the services provided:		
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If yes:	Date Filed:		X

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 Prepared consistently with Section 29-1-604, C.R.S., which states that a governmental entity with revenue and expenditures at least \$100,000 but not more than \$500,000 must have an application prepared by an independent accountant with knowledge of governmental accounting;
 Completed to the best of our knowledge and is **accurate and true**; and
 Personally 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. (Please sign using blue ink.)


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4	Laura DalPiaz	5/1/2012	
5	Pat Schurott	5/1/2012	
6			
7			

Exhibit for 4-1

address shown on the registration books maintained by or on behalf of the District by the Registrar. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. Failure to give such notice by mailing to any Owner, or any defect therein, will not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Redemption of Beneficial Ownership Interests. The Registrar will be required to send notice of redemption of the Bonds only to Cede & Co. (or subsequent nominee of DTC) as the Owner thereof. Receipt of such notice initiates DTC's standard call. In the event of a partial call, the Beneficial Ownership Interests to be redeemed will be determined in accordance with the rules and procedures of the DTC book-entry system as discussed in "APPENDIX A - DTC BOOK-ENTRY SYSTEM." DTC Participants are responsible for notifying the Beneficial Owners of the redemption of their Beneficial Ownership Interests and for remitting the redemption price thereof to such Beneficial Owners. Any failure by DTC or DTC Participants to notify a Beneficial Owner of any such notice of redemption and its content or effect will not affect the validity of the redemption of the Bonds properly called for redemption or any other action premised on that notice.

Debt Service Requirements

The Debt Service Requirements for the Bonds (rounded) are as follows:

<u>Year</u>	<u>Principal</u> ¹	<u>Interest</u>	<u>Total</u>
2005	\$ --	\$ 21,306	\$ 21,306
2006	--	73,750	73,750
2007	25,000	73,750	98,750
2008	25,000	72,500	97,500
2009	30,000	71,250	101,250
2010	30,000	69,750	99,750
2011	30,000	68,250	98,250
2012	30,000	66,750	96,750
2013	30,000	65,250	95,250
2014	30,000	63,750	93,750
2015	35,000	61,875	96,875
2016	35,000	59,688	94,688
2017	40,000	57,500	97,500
2018	40,000	55,000	95,000
2019	45,000	52,500	97,500
2020	45,000	49,688	94,688
2021	50,000	46,875	96,875
2022	55,000	43,750	98,750
2023	55,000	40,313	95,313
2024	60,000	36,875	96,875
2025	65,000	33,125	98,125
2026	65,000	29,063	94,063
2027	70,000	25,000	95,000
2028	75,000	20,625	95,625
2029	80,000	15,938	95,938
2030	175,000	10,938	185,938
	<u>\$1,220,000</u>	<u>\$ 1,285,056</u>	<u>\$ 2,505,056</u>

¹ See "Redemption Prior to Maturity - Mandatory Sinking Fund Redemption" above.

Source: The Underwriter