

MIRABELLE METROPOLITAN DISTRICT NO. 1

2015 ANNUAL REPORT

Pursuant to the Modification to Service Plan for Mirabelle Metropolitan District No. 1, f/k/a Highlands Ranch Metropolitan District No. 5, (the “District”), the District is required to submit an annual report to Douglas County, Colorado (the “County”).

For the year ending December 31, 2015, the District makes the following report:

1. Boundary changes made or proposed.

No boundary changes were made or proposed in 2015.

2. Intergovernmental agreements with other governmental entities either entered into or proposed.

The Intergovernmental Agreement listing is attached hereto as **Exhibit A**.

3. Copies of the District’s rules and regulations, if any.

No rules and regulations were adopted by the District in 2015.

4. A summary of any litigation which involves the District’s Public Improvements.

The District is not aware of any litigation involving the public improvements.

5. Status of the District’s construction of the Public Improvements.

No public improvements were constructed by the District in 2015.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the County.

No facilities or improvements constructed by the District were dedicated to or accepted by the County in 2015.

7. The assessed valuation of the District.

The certification of valuation from the Douglas County Assessor for 2015 is attached hereto as **Exhibit B**.

8. Current year budget including a description of the Public Improvements to be constructed.

A copy of the District's 2016 budget and 2016 budget amendment are attached hereto as **Exhibit C** and **Exhibit D**. The District has not budgeted for construction of public improvements during 2016.

9. Audit of the District's financial statements prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District filed an application for exemption from the 2015 audit, a copy of which is attached hereto as **Exhibit E**.

10. Notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument.

There was no notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any debt instrument of which we are aware.

11. Any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

There was no inability of the District to pay its obligations as they came due, in accordance with the terms of any such obligations, which continued beyond a ninety (90) day period.

*Please note that the Board of Directors changed the name of the District pursuant to an Order Granting Name Change on April 15, 2016, by Douglas County, Colorado, recorded at Reception Number 2016022634. Please also note that the District has submitted an Amended and Restated Service Plan to the County for a change in provisions and areas that will be served by the District. The Board of County Commissioners is scheduled to consider approval of the Amended and Restated Service Plan on October 25, 2016.

The foregoing filing and accompanying exhibits are submitted this 30th day of September, 2016.

MIRABELLE METROPOLITAN
DISTRICT NO. 1



Kristen D. Bear, Esq.
General Counsel to the District

EXHIBIT A
Intergovernmental Agreement Listing

1. Joint Amended Highlands Ranch Metropolitan Districts Agreement (December 19, 1989) (HRMDs 1 through 5) (**enclosure**)
2. First Supplemental Agreement (June 30, 1998) (**enclosure**)
3. Second Supplemental Agreement (February 24, 2004) (**enclosure**)
4. Highlands Ranch Water and Wastewater Agreement (December 18, 1990) (HRMD No. 5 and Centennial WSD) (**enclosure**)
5. Agreement between City of Littleton, Littleton Fire Protection District, and Highlands Ranch MD (January 17, 2012) (**enclosure**)
6. Amendment 1 to Agreement with Littleton, (July 15, 2014)
7. Amendment 2 to Agreement with Littleton
8. Employee Office Services & Capital Equipment Sharing Agreement w/CWSD & HRMD, (Exhibits A and B) (January 30, 2001)
9. Reservoir Storage Tanks Park use license w/ CWSD/HRMD (December 17, 1998)
10. Joint Use Agreements w/ HRMD/ Douglas County Schools (July 1, 2000)

EXHIBIT B
2015 Final Assessed Valuation

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4056 - Highlands Ranch Metro District 5
IN DOUGLAS COUNTY ON 11/22/2015

New Entity: Yes

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2015 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$0
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$0
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$0
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2015 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2015

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$19
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: I	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

I Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2015

Data Date: 12/3/2015

EXHIBIT C
2016 Budget

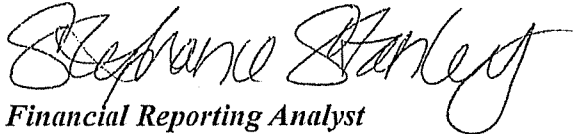
HIGHLANDS RANCH
METROPOLITAN DISTRICT NO. 5

**2016 ADOPTED
BUDGET**

BUDGET HIGHLIGHTS

INTRODUCTION

I, Stephanie Stanley, certify that the attached is a true and accurate copy of the adopted 2016 budget of the Highlands Ranch Metropolitan District.



**Financial Reporting Analyst
Highlands Ranch Metropolitan District**

Services

Highlands Ranch Metropolitan District No. 5 was organized for the purpose of providing metropolitan type services to the developing community of Highlands Ranch. In 1989 the District amended its service plan in order to provide water and wastewater to its residents. As a result of the amendment the District now is authorized to provide the following services:

- Fire Protection
- Parks and Parkways landscape maintenance and construction
- Open space maintenance
- Street and storm drainage construction and miscellaneous maintenance
- Street light operations and maintenance
- Water and wastewater service

In accordance with Colorado State Budget Law, the District's Board of Directors hold public hearings in the fall of each year to review the current year's budget, approve the following years budget and appropriate the funds necessary to operate for the ensuing year. Although it is the intent of the Board of Directors to adopt a budget which will go unchanged, statutes do allow the Board to modify the budget and the appropriation resolutions upon completion of notification and publication requirements. This budget was prepared so that the subsequent accounting for the revenue and expenditures detailed in this document would comply with generally accepted accounting principles. The basis used for accounting is the Modified Accrual Basis.

Highlands Ranch Metropolitan District No. 5 is currently inactive. It is anticipated that a portion of the future development within Highlands Ranch and/or the Centennial Water and Sanitation District service area may be included within the District. However, at this time the District does not contain any material amounts of property, nor does it conduct any operations apart from minimal legal requirements.

Highlands Ranch Budgeting

Highlands Ranch Metropolitan District ("HRMD") prepares an Operating Budgets which provide for the use of resources collected by the district and which are utilized to operate, maintain and manage the facilities and services provided for the community of Highlands Ranch. It is anticipated that if activated the District will pay its share of this Operating Budget as defined in the IGA

Because Metropolitan District No. 5 is currently inactive, it does not participate in the Operating Budget. However, the District does prepare a Direct Budget which provides for the use of District resources to fund general government services. The funding for the District's General Fund currently is provided by transfers from Centennial Water and Sanitation District until such time as Metropolitan District No. 5 commences active operation.

REVENUE SOURCES

The District currently has no sources of revenue but borrows necessary funds interest free from Centennial Water and Sanitation District to meet the requirements of the District.

Taxes

Upon activation and the inclusion of property the District would anticipate receiving tax revenue from two sources:

- 1) From the assessment of property taxes against real and personal property calculated by applying a mill levy against both the current and new growth assessed value of the property; and
- 2) From the District's share of specific ownership taxes collected on automobiles by Douglas County.

The District currently has an assessed valuation of property of \$0, but does not assess a mill levy for property tax although it anticipates doing so in the future and has the statutory authority to do so.

Utility rates

The District is currently inactive, but anticipates in the future providing water and sewer services and the receipt of associated revenues based on the fee structure of Centennial.

Development Fees

Upon the commencement of active operations in the future the District anticipates imposing the following development fees on new residential, commercial and industrial development:

- 1) A Tap Fee from new customers at the time the customer requires the installation of a meter to obtain service.
- 2) The same Systems Development Fee as that imposed by HRMD to be collected at the same time as, or prior to, the collection of the tap fees for the specific property. The Systems Development Fee, which is calculated annually, is designed to recover the estimated costs of the construction of arterials, arterial landscaping, storm drainage facilities, parks and fire protection facilities as found in the Districts Facility Plan.

The Basic Systems Development Fee is calculated based upon a comprehensive planning document called the Facilities Plan which identifies the capital improvements described above.

- 3) In addition to the above, the District anticipates assessing fees to the builders for plan review and inspection of new connections to the water and wastewater system.

Other

Other revenues anticipated by the District after the commencement of active operations include Conservation Trust Fund (lottery) proceeds and other small reimbursements and miscellaneous charges.

Interest earnings

The District currently does not have funds available for investment. When activated the District will follow an investment policy approved by their Boards of Directors similar to that of Centennial and HRMD.

DIRECT BUDGET EXPENDITURES

The only expenditures for the Direct Budget are for general government purposes. The District incurs expenditures for direct costs which are not allocable to another District under terms of the Metropolitan Districts Agreement. These expenditures are currently related to such General Management items as legal fees and other fees directly related to the Board and the Districts activities.

The various fund types anticipated to be contained in the Districts' Budget after the commencement of active operations and a description of each are as follows:

General Fund:

The general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Typical activities associated with this fund are general management, and the District's share of operation and maintenance of all the Districts. These activities include expenditures for landscape maintenance, fire prevention, accounting, engineering, etc.

Special Revenue Fund:

Would be used to collect and disburse monies earmarked for specific purposes due to either legal or contractual arrangements.

Water and wastewater operating revenues and the related expenditures for operations would be accounted for in a special revenue fund. The District would chose this type fund because the revenue from service fees is essentially passed through to another entity - Centennial Water and Sanitation District- and because the service rates are not established to fully recover the cost of assets.

Street light operating revenues and related expenditures for operations would also be accounted for in a special revenue fund. The District has chosen this type of fund for reasons similar to those for the Water and Wastewater special Revenue Fund.

Colorado Lottery receipts and uses of proceeds.

Debt Service Fund:

Would be used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and other costs related to the management and retirement of debt.

Capital Projects Funds:

Would be used to account for financial resources to be used for the acquisition or construction of major capital improvement projects or facilities and reserved capacity in the water and wastewater system owned by Centennial. The capital improvement projects funded from these resources usually are those identified in the District's Comprehensive Facilities Plan.

GENERAL FUND

The Districts is responsible for paying its direct general management expenditures (which include expenditures for legal, audit, general liability insurance, and Board of Director's expenses).

In addition, the General Fund is anticipated to be used to account for the District's share of the Highlands Ranch Master Budget after the commencement of active operations by the District. The Master Budget provides for public safety, park operation and maintenance, technical management and general management activities associated with the governance of all of the Highlands Ranch Metropolitan Districts.

Major revenue sources for the General Fund will include taxes and earnings on the District's investments. Because the District is currently inactive, there are no revenues for the General Fund at this time.

The following schedules summarize the District's actual and budgeted expenditures. They are followed by the authorizing resolutions adopted by the District's Board of Directors.

HIGHLANDS RANCH METRO DISTRICT NO. 5
ALL FUNDS
2014-2016

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		Adopted 2016	Projected 2015	Actual 2014
				General Government	Water and Wastewater			
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development Fees	-	-	-	-	-	-	-	-
System Development Fees	-	-	-	-	-	-	-	-
Tap Fees	-	-	-	-	-	-	-	-
Special Revenues	-	-	-	-	-	-	-	-
Rate Income	-	-	-	-	-	-	-	-
Conservation Trust Fund	-	-	-	-	-	-	-	-
Street Light	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
EXPENDITURES								
General Government	1,000	-	-	-	-	\$ 1,000	\$ 500	\$ 245
Intergovernmental	-	-	-	-	-	-	-	-
Water and Wastewater	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Reserved Capacity	-	-	-	-	-	-	-	-
	1,000	-	-	-	-	1,000	500	245
	(1,000)	-	-	-	-	(1,000)	(500)	(245)
Revenue over (under) expenditures	1,000	-	-	-	-	1,000	500	245
OTHER FINANCING SOURCES (USES)								
Long Term IGA proceeds	-	-	-	-	-	-	-	-
Automatic operating transfers	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Metro Tap Fee Surcharge	-	-	-	-	-	-	-	-
Water Rate Surcharge	-	-	-	-	-	-	-	-
Other operating transfers	-	-	-	-	-	-	-	-
Debt Service - W/WW Capital	-	-	-	-	-	-	-	-
Debt Service - Gen. Govt. Capital	-	-	-	-	-	-	-	-
Special Revenue - General	-	-	-	-	-	-	-	-
Contribution offsetting capital outlay	-	-	-	-	-	-	-	-
	1,000	-	-	-	-	1,000	500	245
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES	-	-	-	-	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HIGHLANDS RANCH METROPOLITAN DISTRICT NO. 5

RESOLUTION NO. 15-103

WHEREAS, the General Manager has submitted a proposed budget to the Board of Directors for the period January 1, 2016 to December 31, 2016 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 30, 2015 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues and other financing sources so that the budget remains in balance as required by law; and

WHEREAS, the 2016 Budget provides for the following expenditures:

General Fund	\$1,000
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NOW, THEREFORE BE IT RESOLVED, that the 2016 Budget as presented to the Board of Directors be and hereby is approved and adopted.

BE IT FUTHER RESOLVED, that an appropriation in the amount of \$1,000 for the General Fund be and hereby is approved and adopted.

Adopted this 30th day of November, 2015

Ayes 3 Nays 0 Abstained 0 Absent 0

Certified by


_____, Secretary

EXHIBIT D
2016 Budget Amendment

**MIRABELLE METROPOLITAN DISTRICT NO. 1
RESOLUTION TO AMEND 2016 BUDGET**

WHEREAS, the Board of Directors of Mirabelle Metropolitan District No. 1 (the "District") certifies that at a special meeting of the Board of Directors of the District held August 17, 2016, a public hearing was held regarding the 2016 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2016 as follows:

General Fund	\$1,000
and;	

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2016; and

WHEREAS, funds are available for such expenditure.

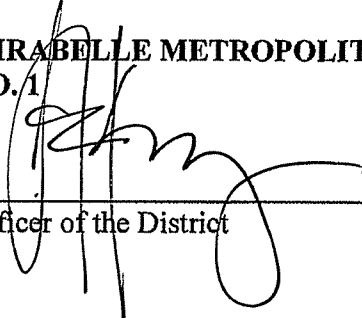
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2016 as follows:

General Fund	\$75,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

ADOPTED this 17th day of August, 2016.

MIRABELLE METROPOLITAN DISTRICT
NO. 1



Officer of the District

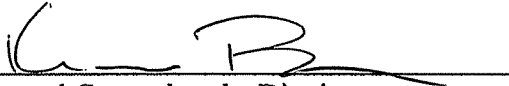
ATTEST:



Steve Gustafson

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
MIRABELLE METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held on Wednesday, August 17, 2016, at 1805 Shea Center Drive, Suite 450, Highlands Ranch, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day of August, 2016.



Steve Gustafson

EXHIBIT E
2015 Audit Exemption Application

APPLICATION FOR EXEMPTION FROM AUDIT - SHORT FORM - FOR GOVERNMENTS WITH REVENUES AND EXPENDITURES OF \$100,000 OR LESS

Name of Government:	Highlands Ranch Metropolitan District No. 5	For the Year Ended December 31, 2015 or fiscal year ended:
Address:	62 West Plaza DR Highlands Ranch, CO 80129	
Contact Person:	Bruce Lebsack	
Telephone:	303-791-0430	
Email:	blebsack@highlandsranch.org	
Fax:	303-791-0430	

Return to: Office of the State Auditor
Local Government Audit Division
1525 Sherman St., 7th Floor
Denver, CO 80203
Fax: 303-869-3061
Email: OSA.LG@state.co.us
Call (303) 869-3000 if you need help completing this form.

**PLEASE READ THE
ABOVE INSTRUCTIONS
BEFORE SUBMITTING**

Section 29-1-604, C.R.S., outlines the provisions for an exemption from audit. Generally, any local government for which neither revenues nor expenditures exceed \$750,000 in any year may qualify for an exemption. If either revenues or expenditures are \$100,000 or greater, but not more than \$750,000, you may NOT use this form. Please use the LONG FORM of this application. If both revenues and expenditures are less than \$100,000 individually, use this short form application for exemption from audit.

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

Instructions:

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 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 a person skilled in 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 skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

Name:	Bruce Lebsack CGMA
Title:	Director, Finance and Administration
Firm Name (if applicable):	
Address:	62 West Plaza Drive, Highlands Ranch, CO 80129
Telephone Number:	303-791-0430
Date Prepared:	2/29/2016

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



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	Governmental	Proprietary
	Governmental	

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Amount	Round to nearest dollar
2-1	Taxes: Property	\$	-
2-2	Specific ownership	\$	-
2-3	Sales and use	\$	-
2-4	Other (specify):	\$	-
2-5	Licenses and permits	\$	-
2-6	Intergovernmental: Grants	\$	-
2-7	Conservation Trust Funds (Lottery)	\$	-
2-8	Highway Users Tax Funds (HUTF)	\$	-
2-9	Other (specify):	\$	-
2-10	Charges for services	\$	-
2-11	Fines and forfeits	\$	-
2-12	Special assessments	\$	-
2-13	Investment income	\$	-
2-14	Charges for utility services	\$	-
2-15	Debt proceeds (should agree with line 4-3, column 2)	\$	-
2-16	Lease proceeds	\$	-
2-17	Developer Advances received (should agree with line 4-3)	\$	-
2-18	Proceeds from sale of capital assets	\$	-
2-19	Fire and police pension	\$	-
2-20	Donations	\$	-
2-21	Other (specify): Centennial Water and Sanitation District IGA Advance	\$	135
2-22		\$	-
2-23		\$	-
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE all sources	\$	135

PART 3 - EXPENDITURES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Amount	Round to nearest dollar
3-1	Administrative	\$	17
3-2	Salaries	\$	-
3-3	Payroll taxes	\$	-
3-4	Contract services	\$	-
3-5	Employee benefits	\$	-
3-6	Insurance	\$	118
3-7	Accounting and legal fees	\$	-
3-8	Repair and maintenance	\$	-
3-9	Supplies	\$	-
3-10	Utilities and telephone	\$	-
3-11	Fire/Police	\$	-
3-12	Streets and highways	\$	-
3-13	Public health	\$	-
3-14	Culture and recreation	\$	-
3-15	Utility operations	\$	-
3-16	Capital outlay (should agree with Part 6)	\$	-
3-17	Debt service principal (should agree with Part 4)	\$	-
3-18	Debt service interest	\$	-
3-19	Repayment of Developer Advances (should agree with line 4-3)	\$	-
3-20	Contribution to pension plan (should agree to line 7-2)	\$	-
3-21	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$	-
3-22	Other (specify):	\$	-
3-23		\$	-
3-24		\$	-
3-25	(add lines 3-1 through 3-24) TOTAL EXPENDITURES all categories	\$	135

Note: If Total Revenue (Line 2-24) or Total Expenditures (Line 3-25) are greater than \$100,000 - STOP. You may not use this form. Please use the "Application for Exemption from Audit - Long Form".

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?	X																																									
	Is the debt repayment schedule attached? If no, please explain: Debt is not scheduled for repayment until such time as the District has customers within the District boundaries.		X																																								
4-2	Is the entity current in its debt service payments? If no, please explain:																																										
4-3	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)																																										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Outstanding at end of prior year</th> <th style="text-align: right;">Issued during year</th> <th style="text-align: right;">Retired during year</th> <th style="text-align: right;">Outstanding at year-end</th> </tr> </thead> <tbody> <tr> <td>General obligation bonds</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Revenue bonds</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Notes/Loans</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Leases</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Developer Advances</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Other (specify):</td> <td style="text-align: right;">\$ 13,278</td> <td style="text-align: right;">\$ 135</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ 13,413</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">\$ 13,278</td> <td style="text-align: right;">\$ 135</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ 13,413</td> </tr> </tbody> </table>		Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end	General obligation bonds	\$ -	\$ -	\$ -	\$ -	Revenue bonds	\$ -	\$ -	\$ -	\$ -	Notes/Loans	\$ -	\$ -	\$ -	\$ -	Leases	\$ -	\$ -	\$ -	\$ -	Developer Advances	\$ -	\$ -	\$ -	\$ -	Other (specify):	\$ 13,278	\$ 135	\$ -	\$ 13,413	Total:	\$ 13,278	\$ 135	\$ -	\$ 13,413		
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Please answer the following questions by marking the appropriate boxes		Yes	No																																								
4-4	Does the entity have any authorized, but unissued, debt?	X																																									
If yes:	How much? \$ 203,000,000.00 Date the debt was authorized: 11/1/1989																																										
4-5	Does the entity intend to issue debt within the next calendar year?	X																																									
If yes:	How much? \$ 1,000.00																																										
Please answer the following questions by marking the appropriate boxes		Yes	No																																								
4-6	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 the appropriate boxes		Yes	No																																								
4-7	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? \$ -																																										
4-8	Please use this space to provide any explanations or comments:																																										

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances		Amount	Total
5-1	Checking accounts	\$ -	
5-2	Savings accounts	\$ -	
5-3	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
	Investments (If investment is a mutual fund, please list underlying investments):		
5-4		\$ -	
5-5		\$ -	
5-6		\$ -	
5-7		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ -
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:	NA	
5-9	Please use this space to provide any explanations or comments:		

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.		Yes	No		
6-1	Does the entity have capital assets?		X		
If yes:	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, please explain:				
	Complete the following table:				
		Balance - beginning of the year	Additions	Deletions	Year-End Balance
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	
6-2	Please use this space to provide any explanations or comments:				

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" firemen's pension plan?		X	
7-2	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.):			\$ -
	Total:			\$ -
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?			\$ -
7-3	Please use this space to provide any explanations or comments:			

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No
8-1	Did the entity file a budget with the Department of Local Affairs for the current year? If no, please	X	
8-2	Did the entity pass an appropriations resolution? In no, please explain:	X	
If yes:	Please indicate the amount appropriated for each fund for the year:		
	Fund Name	Budgeted Expenditures	
	General Fund	\$ 1,000	
8-3	Please use this space to provide any explanations or comments:		

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

Please answer the following questions 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)]?	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.		
9-2	Please use this space to provide any explanations or comments:		

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No
10-1	Is this application for a newly formed governmental entity?		X
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?		X
If Yes:	Please list the NEW name & PRIOR name:		
10-3	Is the entity a metropolitan district?	X	
10-4	Please indicate what services the entity provides:		
	Formed to provide its share of construction of arterials, storm drainage, fire and w/ww facilities in Highlands Ranch; installation and maintenance of arterial landscape, parks and trails in Highlands Ranch		
10-5	Does the entity have an agreement with another government to provide services?	X	
If yes:	List the name of the other governmental entity and the services provided:		
	CENTENNIAL WATER AND SANITATION DISTRICT (water and wastewater) and HIGHLANDS RANCH METROPOLITAN DISTRICT (all other services in 10-4)		
10-6	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.]		NA
If yes:	Date Filed:		
10-7	Please use this space to provide any explanations or comments:		

PART 11 - 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 \$100,000 or less must have an application prepared by a person skilled in 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	A MAJORITY of the governing board members must complete and sign in the column
Board Member 1	Jeff Kappes	I <u>JEFFREY F. KAPPES</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2-29-16</u> My term Expires: <u>MAY 2016</u>
Board Member 2	Terri Kershnik	I <u>TERESA G. KERSHNIK</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2-29-16</u> My term Expires: <u>MAY 2016</u>
Board Member 3	John Kilrow	I <u>JOHN KILROW</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2-29-16</u> My term Expires: <u>MAY 2016</u>
Board Member 4	Steve Ormiston	I <u>STEVE ORMISTON</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2-29-16</u> My term Expires: <u>MAY 2018</u>
Board Member 5	Dave Vazquez	I <u>DAVID VASQUEZ</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: <u>2-29-16</u> My term Expires: <u>MAY 2018</u>
Board Member 6	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____