

James B. Folkestad
Aaron W. Barrick
Marc C. Patoile
Kathryn T. James
Matthew S. Patton
Kathryn E. Cobb
Joe D. Kinlaw

Ernest F. Fazekas, II
1947-2016

August 2, 2017

VIA HAND DELIVERY

Town Council of the Town of Castle Rock
c/o Sally Misare, Town Clerk
100 N. Wilcox Street
Castle Rock, CO 80104


Re: Dawson Ridge Metropolitan Districts No. 1, No. 2, No. 3, No. 4 and No. 5
2016 Annual Report

Dear Sally:

Submitted pursuant to the provisions of Section 32-1-207(3)(c), C.R.S. and Section 11.02.040 of the Castle Rock Municipal Code Town of Castle Rock is the annual report for Dawson Ridge Metropolitan Districts No. 1, 2, 3, 4, and 5 for the period ending December 31, 2016. By copy of this letter, copies of the annual report are being sent to the Douglas County Board of County Commissioners, the Colorado Division of Local Government, and the State Auditor, and are being deposited with the Douglas County Clerk and Recorder, as required by statute. Further, a copy of the annual report shall be made available to any interested party, pursuant to Section 32-1-204(1), C.R.S.

Sincerely,

FOLKESTAD FAZEKAS BARRICK & PATOILE, P.C.


Kathryn T. James

cc (with enclosures): via U.S. Mail

Director of Finance, Town of Castle Rock, 100 N. Wilcox St., Castle Rock, CO 80104
Douglas County Board of Commissioners, 100 Third Street, Castle Rock, CO 80104
State Auditor, State Services Building, 1525 Sherman St., 7th Floor, Denver, CO 80203-2211

cc (with enclosures), electronically:

Douglas County Clerk and Recorder
Thomas J. Mancuso, President of Dawson Ridge Metropolitan Districts No. 1, 2, 3, 4 & 5

cc of Report via ePortal to five District accounts:
Division of Local Government

**ANNUAL REPORT
DAWSON RIDGE METROPOLITAN DISTRICTS NO. 1, NO. 2,
NO. 3, NO. 4 AND NO. 5, DOUGLAS COUNTY, COLORADO,
REPORTING PERIOD ENDING
DECEMBER 31, 2016**

Pursuant to Section 32-1-207(3)(c), C.R.S., Special District Act, and Section 11.02.040 of Castle Rock Municipal Code, the following report is submitted by the Boards of Directors of Dawson Ridge Metropolitan Districts No. 1, No. 2, No. 3, No. 4 and No. 5 (the "Districts"), to the Town Council of the Town of Castle Rock.

The following information concerns the activity and financial events of the Districts during the year 2016:

1. Progress in implementing service plan.

The Districts are currently operating under a Suspension Agreement with the Town of Castle Rock, dated October 8, 1992, which does not allow the Districts to exercise their powers other than those administrative functions necessary to remain in lawful existence and in compliance with State law, until the Districts submit amendments to their service plans that are approved by the Town of Castle Rock.

2. 2016 Audit.

Dawson Ridge Metropolitan Districts No. 1, No. 2, No. 3, No. 4 and No. 5 each qualify for, and have applied to the State Auditor's Office for, audit exemptions for fiscal year 2016. Copies of the Applications for Exemption from Audit are attached to this report.

3. Capital expenditures and capital improvements.

The Districts did not incur any capital expenditures in the development of public facilities in the report year of 2016.

4. Capital improvements/projects proposed to be undertaken in 5 years following 2016.

None.

5. Financial obligations and assessed valuation.

Financial Obligations are reflected on the Applications for Exemption from Audit and the 2016 budgets attached to this report.

District No. 1: The gross total assessed valuation of all taxable properties within the District No. 1 as of December 2016 was \$85,950. No portion of the District 2016 mill levy was pledged to debt retirement.

District No. 2: The gross total assessed valuation of all taxable properties within the District No. 2 as of December 2016 was \$5,960. No portion of the District 2016 mill levy was pledged to debt retirement.

District No. 3: The gross total assessed valuation of all taxable properties within the District No. 3 as of December 2016 was \$53,710. No portion of the District 2016 mill levy was pledged to debt retirement.

District No. 4: The gross total assessed valuation of all taxable properties within the District No. 4 as of December 2016 was \$5,850. No portion of the District 2016 mill levy was pledged to debt retirement.

District No. 5: The gross total assessed valuation of all taxable properties within the District No. 5 as of December 2016 was \$50. No portion of the District 2016 mill levy was pledged to debt retirement.

6. Budgets for 2017.

Copies of the Districts' budgets for 2017 as adopted on November 4, 2016, are attached to this report.

7. Residential/commercial development which occurred within Districts in 2016:

No commercial or residential development occurred within the Districts during the reporting period.

8. Fees, charges and assessments.

No fees, charges or assessments were levied or collected by the Districts in 2016.

9. Certification re: Section 11.02.060.

No action, event or condition enumerated in Section 11.02.060 of the Town of Castle Rock Municipal Code, constituting a material modification to any of the Districts' service plans, occurred in the report year.

10. Names, addresses, telephone numbers, meetings.

The names, business addresses, and telephone numbers of each member of the Board of Directors, the president, and the District counsel are as follows:

Thomas J. Mancuso
Kline, Alvarado & Veio, P.C.
1775 Sherman Street, Suite 1790
Denver, CO 80203
(303) 534-3390

Director and President of Districts No. 1, No. 2,
No. 3, No. 4 and No. 5

Other Directors' Positions:

Vacant

Vacant

Vacant

Vacant

Kathryn T. James, Esq.
Folkestad Fazekas Barrick & Patoile, P.C.
18 S. Wilcox Street, Suite 200
Castle Rock, CO 80104
303-688-3045

Legal Counsel

Regular meetings are scheduled for the 1st Wednesday of every month, commencing at 9:30 a.m., at the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado, 80104.

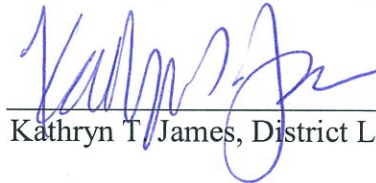
Pursuant to Section 32-1-207(3)(c), C.R.S., a copy of this report will be filed with the Town Council of the Town of Castle Rock, the Douglas County Board of Commissioners, the Division of Local Government, and the State Auditor, as well as being deposited with the Douglas County Clerk and Recorder and made available to any interested party as defined in Section 32-1-204(1), C.R.S.

DATE:

Aug. 2, 2017.

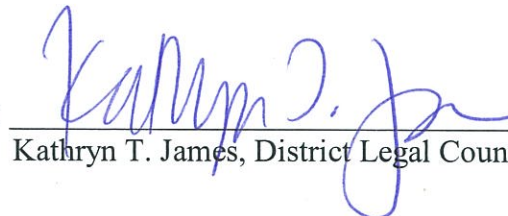
DAWSON RIDGE METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and political
subdivision of the State of Colorado

By:

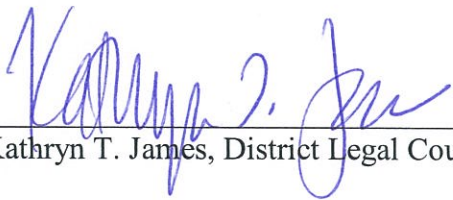

Kathryn T. James, District Legal Counsel

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 2, a quasi-municipal corporation and political
subdivision of the State of Colorado

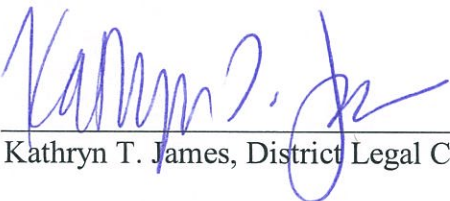
By:


Kathryn T. James, District Legal Counsel

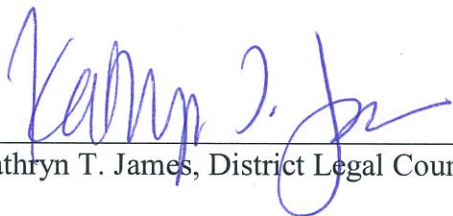
DAWSON RIDGE METROPOLITAN DISTRICT
NO. 3, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Kathryn T. James, District Legal Counsel

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 4, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Kathryn T. James, District Legal Counsel

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 5, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Kathryn T. James, District Legal Counsel

Applications for Exemption from Audit -- 2016
Dawson Ridge Metropolitan Districts No. 1, No. 2, No. 3, No. 4, and No. 5

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Dawson Ridge Metropolitan District No. 1	For the Year Ended 12/31/16 or fiscal year ended:
ADDRESS	c/o Pinnacle Consulting Group, Inc. 1627 East 18th Street Loveland, CO 80538	
CONTACT PERSON	Brendan Campbell, CPA	
PHONE	(970) 669-3611	
EMAIL	brendanc@pinnacleconsultinggroupinc.com	
FAX	(970) 669-3612	

PART 1 - 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	Brendan Campbell, CPA
TITLE	District Accountant
FIRM NAME (if applicable)	Pinnacle Consulting Group, Inc.
ADDRESS	1627 East 18th Street
PHONE	(970)669-3611
DATE PREPARED (Must be prepared prior to Board approval)	2/21/2017

PREPARER (SIGNATURE REQUIRED)

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Ta Property	\$ 2,999	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 276	
2-3	Sales and use	\$ -	
2-4	Other (specify)	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernment Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify)	\$ -	
2-10	Charges for services	\$ 15,750	
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 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify)	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 19,025	

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 45	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 18,980	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
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	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify)	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 19,025	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain.	<input type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain.	<input type="checkbox"/>	<input type="checkbox"/>

	Please complete the following debt schedule, if applicable. (please only include principal amounts) (enter all amount as positive numbers)	Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
4-4	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

		Yes	No
4-5	Does the entity have any authorized but unissued debt? If yes: How much? \$ 39,650,000.00 Date the debt was authorized: 5/2/2000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-9	Does the entity have a certified Mill Levy? If yes: Please provide the following mills levied for the year reported:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Bond/Redemption		45.00
	General/Other		-
	TOTAL		45.00

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	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
5-3	Investments (if investment is a mutual fund, please list underlying investments):	\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et seq. C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

6-3	Complete the following capital assets table:	Balance beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain):	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	\$ -	

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	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes: Please indicate the amount appropriated for each fund for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 20,021

PART 9 - TAXPAYER'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)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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.

If no, MUST explain:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date of formation:

10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Please list the NEW name & PRIOR name:

10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Please indicate what services the entity provides:

Water, irrigation, sanitation, drainage, streets, traffic & safety controls, transportation, parks & recreation

10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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If yes: List the name of the other governmental entity and the services provided:

All services are provided by Dawson Ridge Metropolitan District No. 5.

10-5	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.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date Filed:

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 governing board members below. A MAJORITY of the governing board members must complete and sign in the column below.

	Print Board Member's Name	A MAJORITY of the governing board members must complete and sign in the column below.
Board Member 1	Thomas J. Mancuso	I <u>Thomas J. Mancuso</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>MARCH 29, 2017</u> My term Expires: <u>5/2018</u>
Board Member 2		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 3		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 4		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Dawson Ridge Metropolitan District No. 2	For the Year Ended 12/31/16 or fiscal year ended:
ADDRESS	c/o Pinnacle Consulting Group, Inc. 1627 East 18th Street Loveland, CO 80538	
CONTACT PERSON	Brendan Campbell, CPA	
PHONE	(970) 669-3611	
EMAIL	brendanc@pinnacleconsultinggroupinc.com	
FAX	(970) 669-3612	

PART 1 - 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:	Brendan Campbell, CPA
TITLE:	District Accountant
FIRM NAME (if applicable):	Pinnacle Consulting Group, Inc.
ADDRESS:	1627 East 18th Street
PHONE:	(970)669-3611
DATE PREPARED (Must be prepared prior to Board approval)	2/21/2017

PREPARER (SIGNATURE REQUIRED)

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Ta Property	\$ 12,085	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 1,112	
2-3	Sales and use	\$ -	
2-4	Other (specify)	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernment 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	\$ 3	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify)	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 13,200	

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 181	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 13,019	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
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	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify)	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 13,200	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2 Is the debt repayment schedule attached? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>
4-3 Is the entity current in its debt service payments? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>

Please complete the following debt schedule, if applicable. (please only include principal amounts) (enter all amount as positive numbers)	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):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? \$ 27,150,000.00 Date the debt was authorized: 5/2/2000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-9 Does the entity have a certified Mill Levy? If yes: Please provide the following mills levied for the year reported:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bond Redemption		
General/Other		3,596.79
TOTAL		3,596.79

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 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 questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's investments legal in accordance with Section 24-75-601, et seq. C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

		Balance - beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
6-3	Complete the following capital assets table:				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain)	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	\$ -	

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	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes: Please indicate the amount appropriated for each fund for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 13,290

PART 9 - TAXPAYER'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)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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.

If no, MUST explain:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date of formation:

10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Please list the NEW name & PRIOR name:

10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Please indicate what services the entity provides:

Water, irrigation, sanitation, drainage, streets, traffic & safety controls, transportation, parks & recreation

10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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If yes: List the name of the other governmental entity and the services provided

All services are provided by Dawson Ridge Metropolitan District No. 5.

10-5	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.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date Filed:

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 governing board members below. A MAJORITY of the governing board members must complete and sign in the column below.

Board Member 1	Print Board Member's Name Thomas J. Mancuso	I <u>Thomas J. Mancuso</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u></u> Date: <u>Mar 23, 2017</u> My term Expires: <u>5/2018</u>
Board Member 2	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Dawson Ridge Metropolitan District No. 3	For the Year Ended 12/31/16 or fiscal year ended:
ADDRESS	c/o Pinnacle Consulting Group, Inc. 1627 East 18th Street Loveland, CO 80538	
CONTACT PERSON	Brendan Campbell, CPA	
PHONE	(970) 669-3611	
EMAIL	brendanc@pinnacleconsultinggroupinc.com	
FAX	(970) 669-3612	

PART 1 - 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	Brendan Campbell, CPA
TITLE	District Accountant
FIRM NAME (if applicable)	Pinnacle Consulting Group, Inc.
ADDRESS	1627 East 18th Street
PHONE	(970)669-3611
DATE PREPARED (Must be prepared prior to Board approval)	2/21/2017

PREPARER (SIGNATURE REQUIRED)

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types.	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Tax Property	\$ 6,548	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 602	
2-3	Sales and use	\$ -	
2-4	Other (specify)	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental Grants	\$ -	
2-7	Conservation Trust Funds (Lotten)	\$ -	
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 4-4 column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify)	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 7,151	

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 98	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 7,053	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
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	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify)	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 7,151	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>

	Please complete the following debt schedule, if applicable. (please only include principal amounts) (enter all amount as positive numbers)	Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
4-4	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

	Please answer the following questions by marking the appropriate boxes.	Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? \$ 23,175,000.00		
	Date the debt was authorized: 5/2/2000		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much? \$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding? \$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the annual lease payments? \$ -		
4-9	Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	Please provide the following mills levied for the year reported:		
	Bond Redemption		
	General/Other		149.47
	TOTAL		149.47

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	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 questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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:	<input type="checkbox"/>	<input checked="" type="checkbox"/>

		Balance beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
6-3	Complete the following capital assets table:				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain):	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	\$ -	

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	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes: Please indicate the amount appropriated for each fund for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 8,142

PART 9 - TAXPAYER'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)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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.

If no, MUST explain:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date of formation:

10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Please list the NEW name & PRIOR name:

10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Please indicate what services the entity provides:

Water, irrigation, sanitation, drainage, streets, traffic & safety controls, transportation, parks & recreation

10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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If yes: List the name of the other governmental entity and the services provided.

All services are provided by Dawson Ridge Metropolitan District No. 5.

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.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date Filed:

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 governing board members below. A MAJORITY of the governing board members must complete and sign in the column below.

Board Member 1	Print Board Member's Name Thomas J. Mancuso	I <u>Thomas J. Mancuso</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u></u> Date: <u>March 23, 2017</u> My term Expires: <u>5/2018</u>
Board Member 2	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Dawson Ridge Metropolitan District No. 4	For the Year Ended 12/31/16 or fiscal year ended:
ADDRESS	c/o Pinnacle Consulting Group, Inc. 1627 East 18th Street Loveland, CO 80538	
CONTACT PERSON	Brendan Campbell, CPA	
PHONE	(970) 669-3611	
EMAIL	brendanc@pinnacleconsultinggroupinc.com	
FAX	(970) 669-3612	

PART 1 - 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	Brendan Campbell, CPA
TITLE	District Accountant
FIRM NAME (if applicable)	Pinnacle Consulting Group, Inc.
ADDRESS	1627 East 18th Street
PHONE	(970)669-3611
DATE PREPARED (Must be prepared prior to Board approval)	2/21/2017

PREPARER (SIGNATURE REQUIRED)

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types:	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Ta Property	\$ 27,464	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 2,533	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernment 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 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 30,000	

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	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 412	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 29,588	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
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	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 30,000	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain.	<input type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain.	<input type="checkbox"/>	<input type="checkbox"/>

	Please complete the following debt schedule, if applicable: (Please only include principal amounts) enter all amount as positive numbers)	Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
4-4	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? \$ 14,300,000.00		
	Date the debt was authorized: 5/2/2000		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much? \$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding? \$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the annual lease payments? \$ -		
4-9	Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	Please provide the following mills levied for the year reported:		
	Bond Redemption		
	General/Other		6,328.22
	TOTAL		6,328.22

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	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 questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et seq. C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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:	<input type="checkbox"/>	<input checked="" type="checkbox"/>

		Balance beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
6-3	Complete the following capital assets table:				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain)	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Please enter a negative or credit balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes: Who administers the plan?			
Indicate the contributions from:			
	Tax (property, S.O., 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?	\$ -	

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	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113, C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108, C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes: Please indicate the amount appropriated for each fund for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 30,146

PART 9 - TAXPAYER'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)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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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.

If no, MUST explain:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date of formation:

10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Please list the NEW name & PRIOR name:

10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Please indicate what services the entity provides:

Water, irrigation, sanitation, drainage, streets, traffic & safety controls, transportation, parks & recreation

10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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If yes: List the name of the other governmental entity and the services provided:

All services are provided by Dawson Ridge Metropolitan District No. 5.

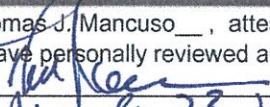
10-5	Has the district filed a Title 32, Article 1, Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103(9-3) and 32-1-104(3), C.R.S.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: Date Filed:

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 governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.
Board Member 1	Print Board Member's Name Thomas J. Mancuso	I <u>Thomas J. Mancuso</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u></u> Date: <u>March 23, 2017</u> My term Expires: <u>5/2018</u>
Board Member 2	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Dawson Ridge Metropolitan District No. 5	For the Year Ended 12/31/16 or fiscal year ended:
ADDRESS	c/o Pinnacle Consulting Group, Inc. 1627 East 18th Street Loveland, CO 80538	
CONTACT PERSON	Brendan Campbell, CPA	
PHONE	(970) 669-3611	
EMAIL	brendanc@pinnacleconsultinggroupinc.com	
FAX	(970) 669-3612	

PART 1 - 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	Brendan Campbell, CPA
TITLE	District Accountant
FIRM NAME (if applicable)	Pinnacle Consulting Group, Inc.
ADDRESS	1627 East 18th Street
PHONE	(970)669-3611
DATE PREPARED (Must be prepared prior to Board approval)	2/21/2017

PREPARER (SIGNATURE REQUIRED)

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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	Round to nearest Dollar	Please use this space to provide any necessary explanations	
2-1	Property	\$	2	
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	\$		68,640
2-11	Fines and forfeits	\$		-
2-12	Special assessments	\$		-
2-13	Investment income	\$		238
2-14	Charges for utility services	\$		-
2-15	Debt proceeds (should agree with line 4-4 column 2)	\$		-
2-16	Lease proceeds	\$		-
2-17	Developer Advances received (should agree with line 4-4)	\$		-
2-18	Proceeds from sale of capital assets	\$		-
2-19	Fire and police pension	\$		-
2-20	Donations	\$		-
2-21	Other (specify)	\$		-
2-22		\$		-
2-23		\$		-
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$		68,880

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	Round to nearest Dollar	Please use this space to provide any necessary explanations	
3-1	Administrative	\$	1,330	
3-2	Salaries	\$		1,000
3-3	Payroll taxes	\$		77
3-4	Contract services	\$		2,489
3-5	Employee benefits	\$		-
3-6	Insurance	\$		3,827
3-7	Accounting and legal fees	\$		5,661
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	\$		-
3-17	Debt service principal (should agree with Part 4)	\$		-
3-18	Debt service interest	\$		-
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$		-
3-20	Repayment of Developer Advance Interest	\$		-
3-21	Contribution to pension plan (should agree to line 7-2)	\$		-
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$		-
3-23	Other (specify)	\$		-
3-24		\$		-
3-25		\$	-	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$	14,383	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) 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? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain.	<input type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain.	<input type="checkbox"/>	<input type="checkbox"/>

	Please complete the following debt schedule, if applicable: (please only include principal amounts) (enter all amounts as positive numbers)	Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
4-4	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

		Yes	No
4-5	Does the entity have any authorized but unissued debt? If yes: How much? \$ 20,300,000.00 Date the debt was authorized: 5/2/2000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? \$ -	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-9	Does the entity have a certified Mill Levy? If yes: Please provide the following mills levied for the year reported:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Bond Redemption		
	General/Other		45.00
	TOTAL		45.00

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	YEAR-END Total of ALL Checking and Savings Accounts	\$ 3,045	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 3,045
	Investments (if investment is a mutual fund, please list underlying investments)		
5-3	ColoTrust	\$ 88,607	
		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ 88,607
	Total Cash and Investments		\$ 91,652

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

6-3	Complete the following capital assets table:	Balance beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain)	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation (Please enter a negative or credit balance)	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7-2	Does the entity have a volunteer firemen's pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	\$ -	

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	N/A
8-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If yes: Please indicate the amount appropriated for each fund for the year reported:

Fund Name	Budgeted Expenditures
General Fund	\$ 14,503

PART 9 - TAXPAYER'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)]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
-----	--	-------------------------------------	--------------------------

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.

If no, MUST explain:

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Please list the NEW name & PRIOR name:		
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Please indicate what services the entity provides:		
	Water, irrigation, sanitation, drainage, streets, traffic & safety controls, transportation, parks & recreation		
10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	List the name of the other governmental entity and the services provided:		
	Provide all services for Dawson Ridge Metropolitan Districts No 1-4.		
10-5	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.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date Filed:		

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 governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.
Board Member 1	Print Board Member's Name Thomas J. Mancuso	I <u>Thomas J. Mancuso</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>March 23, 2017</u> My term Expires: <u>5/2018</u>
Board Member 2	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

2017 Budgets

Dawson Ridge Metropolitan Districts No. 1, No. 2, No. 3, No. 4, and No. 5

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAWSON RIDGE METROPOLITAN DISTRICT NO. 1**

**A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS
FUNDS IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW,
FOR THE DAWSON RIDGE METROPOLITAN DISTRICT NO. 1,
DOUGLAS COUNTY, COLORADO,
FOR THE 2017 BUDGET YEAR**

WHEREAS, the Board of Directors of Dawson Ridge Metropolitan District No. 1 (the "District") has adopted the annual budget in accordance with the Local Government Budget Law, on November 2, 2016;

WHEREAS, the Board of Directors of the District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

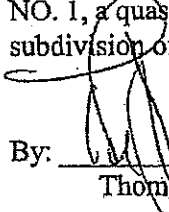
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Dawson Ridge Metropolitan District No. 1, Douglas County, Colorado:

Section 1. That the following sums are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated:

General Fund \$24,888

APPROVED AND ADOPTED this 4th day of November, 2016.

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Thomas J. Mancuso, President

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAWSON RIDGE METROPOLITAN DISTRICT NO. 1**

**A RESOLUTION LEVYING PROPERTY TAXES FOR YEAR 2016 FOR COLLECTION
IN 2017, TO HELP DEFRAY THE COSTS OF GOVERNMENT
FOR THE DAWSON RIDGE METROPOLITAN DISTRICT NO. 1,
DOUGLAS COUNTY, COLORADO,
FOR THE 2017 BUDGET YEAR**

WHEREAS, the Board of Directors of the Dawson Ridge Metropolitan District No. 1 has adopted the annual budget, in accordance with the Local Government Budget Law of Colorado, on November 2, 2016;

WHEREAS, the 2016 valuation for assessment for the Dawson Ridge Metropolitan District No. 1 (the "District"), as certified by the Douglas County Assessor is \$85,950; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$3,868.

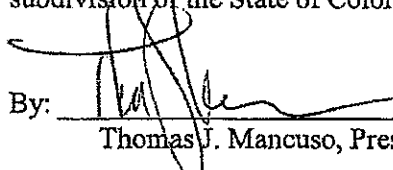
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Dawson Ridge Metropolitan District No. 1, Douglas County, Colorado:

Section 1. That for the purpose of meeting all general operating expenses of the District during the 2017 budget year, there is hereby levied a tax of 45 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2016.

Section 2. That Legal Counsel is hereby authorized and directed to immediately certify to the Board of County Commissioners of Douglas County, State of Colorado (the "Board of County Commissioners"), the mill levies for the District as hereinabove determined and set, or be authorized and directed to certify to the Board of County Commissioners the mill levies for the District as hereinabove determined and set, but as recalculated as needed based upon the final (December) certification of valuation from the Douglas County Assessor in order to comply with any applicable revenue and other budgetary limits.

APPROVED AND ADOPTED this 4th day of November, 2016.

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Thomas J. Mancuso, President

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4104 - Dawson Ridge Metro District 1

New Entity: No

IN DOUGLAS COUNTY ON 8/25/2016

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 2016 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$66,650
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$85,950
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$85,950
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 2016 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2016

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$22,255
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$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: <small>(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.)</small>	\$0
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.

† 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
--	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2016

Data Date: 8/25/2016

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Douglas County, Colorado.

On behalf of the Dawson Ridge Metropolitan District No. 1,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Dawson Ridge Metropolitan District No. 1

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 85,950 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E).

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 85,950 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/15/2016 for budget/fiscal year 2017
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0.00
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0.00
3. General Obligation Bonds and Interest ^J	mills	\$
4. Contractual Obligations ^K	45.000 mills	\$ 3,867.75
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify):	mills	\$
	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	45.000 mills	\$ 3,867.75

Contact person: (print) Brendan Campbell Daytime phone: (970) 669-3611
Signed: [Signature] Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS:

3. Purpose of Contract: To fund the operations and maintenance of Dawson Ridge Metropolitan District No. 1's infrastructure improvements
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: 45.000
Revenue: 3,867.75

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAWSON RIDGE METROPOLITAN DISTRICT NO. 2**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH
FUND AND ADOPTING A BUDGET FOR THE DAWSON RIDGE METROPOLITAN
DISTRICT NO. 2, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR
BEGINNING ON THE FIRST DAY OF JANUARY, 2017, AND ENDING ON THE LAST
DAY OF DECEMBER, 2017**

WHEREAS, the Board of Directors of Dawson Ridge Metropolitan District No. 2 (the "District") has appointed Pinnacle Consulting Group, Inc., a Colorado corporation ("Pinnacle"), to prepare and submit a proposed budget to the Board of Directors of the District at the proper time;

WHEREAS, Pinnacle has submitted a proposed budget to the Board of Directors of the District before October 15, 2016, for its consideration;

WHEREAS, upon due and proper notice posted on October 31, 2016 in accordance with the law; said proposed budget was open for inspection by the public at a designated place: the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104, and interested electors of the District were given the opportunity to file or register any objections to the proposed budget; and a public hearing was held on November 2, 2016, at 9:30 a.m., at the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the Dawson Ridge Metropolitan District No. 2, Douglas County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund and attached hereto as Exhibit A, is hereby approved and adopted as the Budget of the Dawson Ridge Metropolitan District No. 2 for the year 2017.

Section 2. That the 2017 Budget hereby approved and adopted shall be signed by the President of the District, made a part of the public records of the District and filed in accordance with applicable law.

APPROVED AND ADOPTED this 4th day of November, 2016.

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 2, a quasi-municipal corporation and political
subdivision of the State of Colorado

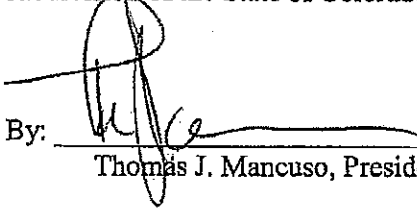
By: 
Thomas J. Mancuso, President

EXHIBIT A
DAWSON RIDGE METROPOLITAN DISTRICT NO. 2
2017 BUDGET



PINNACLE
CONSULTING GROUP, INC.

Accountant's Financial Statement Preparation Report

**BOARD OF DIRECTORS
DAWSON RIDGE METROPOLITAN DISTRICT NO. 2**

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of the Dawson Ridge Metropolitan District No. 2 for the year ending December 31, 2017, including the forecasted estimate of comparative information for the year ending December 31, 2016. I have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America.

The actual historical information for the year 2015 is presented for comparative purposes only.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

Brendan Campbell, CPA
January 30, 2017

DAWSON RIDGE METROPOLITAN DISTRICTS NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2015 and 2016 Adopted and Projected Budget				
2017 Adopted Budget				
Modified Accrual Budgetary Basis				
DISTRICT NO. 2	2015	2016	2016	2017
GENERAL FUND	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$138	\$12,085	\$12,085	\$268
Specific Ownership Taxes	1,163	846	1,105	19
Interest & Other	0	100	100	100
Total Revenues	\$1,300	\$13,031	\$13,290	\$387
Expenditures				
Payment for Services to No. 5	\$1,298	\$12,929	\$13,188	\$283
Treasurer's Fees	2	2	2	4
Contingency	0	100	100	100
Total Operating Expenditures	\$1,300	\$13,031	\$13,290	\$387
Revenues over/(under) Exp	\$0	\$0	\$0	\$0
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0

DAWSON RIDGE METROPOLITAN DISTRICT NO. 2
2017 BUDGET MESSAGE

Dawson Ridge Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established in August 1985. The District was established as part of a "Multiple District Structure" along with District Nos. 1, 3, 4 and 5. The District was organized to provide the acquisition, construction and installation of: (1) water facilities; (2) irrigation water facilities; (3) sanitation facilities; (4) storm drainage facilities; (5) park and recreation facilities; (6) street improvements; (7) street lighting; (8) traffic and safety controls and devices; and (9) transportation facilities. The District will dedicate and transfer the majority of facilities to the Town of Castle Rock for maintenance and operation.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2017 budget, the following goals are foremost for the District:

- To collect appropriate property taxes for distribution to District No. 5 (the "Service District") in order to provide the level of services desired by the constituents.

Overview

Highlights of the 2017 budget include the following:

- The District's property AV increased by \$2,600 to \$5,960, increasing property tax revenue to \$268.
- In 2016 the District had a large number of refunds/abatements, resulting in a temporary increase in the mill levy from 45 mills to 3,596.786 mills. In 2017 the mill levy went back to 45 mills, resulting in \$268 in property tax revenues, a decrease of \$11,817 over 2016.

General Fund

Revenue

The District has an assessed value of \$5,960 and a certified mill levy of 45 mills, which will produce property tax revenue of \$268. Specific ownership is estimated at 7% of property tax revenue in the amount of \$19. The District also estimates \$100 in interest and other income for total estimated revenue of \$387.

Expenses

With exception of the County Treasurer's fees and a contingency, expenditures are related to transfers to Dawson Ridge District No. 5 for overall operating costs as required by an intergovernmental agreement.

Fund Balance/Reserves

The District transfers all of its revenue to Dawson Ridge Metropolitan District No. 5 as provided for in an intergovernmental agreement between Dawson Ridge Metropolitan District Nos. 1-5. Therefore the emergency reserve related to this District is held in Dawson Ridge Metropolitan District No. 5.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAWSON RIDGE METROPOLITAN DISTRICT NO. 3**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH
FUND AND ADOPTING A BUDGET FOR THE DAWSON RIDGE METROPOLITAN
DISTRICT NO. 3, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR
BEGINNING ON THE FIRST DAY OF JANUARY, 2017, AND ENDING ON THE LAST
DAY OF DECEMBER, 2017**

WHEREAS, the Board of Directors of Dawson Ridge Metropolitan District No. 3 (the "District") has appointed Pinnacle Consulting Group, Inc., a Colorado corporation ("Pinnacle"), to prepare and submit a proposed budget to the Board of Directors of the District at the proper time;

WHEREAS, Pinnacle has submitted a proposed budget to the Board of Directors of the District before October 15, 2016, for its consideration;

WHEREAS, upon due and proper notice posted on October 31, 2016 in accordance with the law; said proposed budget was open for inspection by the public at a designated place: the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104, and interested electors of the District were given the opportunity to file or register any objections to the proposed budget; and a public hearing was held on November 2, 2016, at 9:30 a.m., at the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the Dawson Ridge Metropolitan District No. 3, Douglas County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund and attached hereto as Exhibit A, is hereby approved and adopted as the Budget of the Dawson Ridge Metropolitan District No. 3 for the year 2017.

Section 2. That the 2017 Budget hereby approved and adopted shall be signed by the President of the District, made a part of the public records of the District and filed in accordance with applicable law.

APPROVED AND ADOPTED this 4th day of November, 2016.

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 3, a quasi-municipal corporation and political
subdivision of the State of Colorado

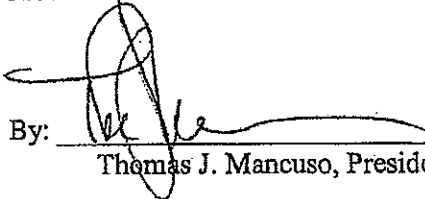
By: 
Thomas J. Mancuso, President

EXHIBIT A
DAWSON RIDGE METROPOLITAN DISTRICT NO. 3
2017 BUDGET



PINNACLE
CONSULTING GROUP, INC.

Accountant's Financial Statement Preparation Report

**BOARD OF DIRECTORS
DAWSON RIDGE METROPOLITAN DISTRICT NO. 3**

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of the Dawson Ridge Metropolitan District No. 3 for the year ending December 31, 2017, including the forecasted estimate of comparative information for the year ending December 31, 2016. I have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America.

The actual historical information for the year 2015 is presented for comparative purposes only.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

Brendan Campbell, CPA
January 30, 2017

DAWSON RIDGE METROPOLITAN DISTRICTS NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2015 and 2016 Adopted and Projected Budget				
2017 Adopted Budget				
Modified Accrual Budgetary Basis				
DISTRICT NO. 3	2015	2016	2016	2017
GENERAL FUND	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$1,862	\$6,548	\$6,548	\$2,417
Specific Ownership Taxes	621	458	594	\$169
Interest & Other	0	1,000	1,000	\$1,000
Total Revenues	\$2,483	\$8,007	\$8,142	\$3,586
Expenditures				
Payment for Services to No. 5	\$2,455	\$6,977	\$7,112	\$2,550
Treasurer's Fees	28	30	30	\$36
Contingency	0	1,000	1,000	\$1,000
Total Operating Expenditures	\$2,483	\$8,007	\$8,142	\$3,586
Revenues over/(under) Exp	\$0	(\$0)	\$0	\$0
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	(\$0)	\$0	\$0

DAWSON RIDGE METROPOLITAN DISTRICT NO. 3
2017 BUDGET MESSAGE

Dawson Ridge Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established in August 1985. The District was established as part of a "Multiple District Structure" along with District Nos. 1, 2, 4 and 5. The District was organized to provide the acquisition, construction and installation of: (1) water facilities; (2) irrigation water facilities; (3) sanitation facilities; (4) storm drainage facilities; (5) park and recreation facilities; (6) street improvements; (7) street lighting; (8) traffic and safety controls and devices; and (9) transportation facilities. The District will dedicate and transfer the majority of facilities to the Town of Castle Rock for maintenance and operation.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2017 budget, the following goals are foremost for the District:

- To collect appropriate property taxes for distribution to District No. 5 (the "Service District") in order to provide the level of services desired by the constituents.

Overview

Highlights of the 2017 budget include the following:

- The District's property assessed valuation increased by \$9,900 to \$53,710.
- In 2016 the District had a large number of refunds/abatements, resulting in a temporary increase in the mill levy from 45 mills to 149.47 mills. In 2017 the mill levy went back to 45 mills, resulting in \$2,417 in property tax revenues, a decrease of \$4,131 over 2016.

General Fund

Revenue

The District has an assessed value of \$53,710 and a certified mill levy of 45 mills, which will produce property tax revenue of \$2,417. Specific ownership is estimated at 7% of property tax revenue in the amount of \$169. The District also estimates \$1,000 in interest and other income, for total estimated revenue of \$3,586.

Expenses

With exception of the County Treasurer's fees and a contingency, expenditures are related to transfers to Dawson Ridge District No. 5 for overall operating costs as required by an intergovernmental agreement.

Fund Balance/Reserves

The District transfers all of its revenue to Dawson Ridge Metropolitan District No. 5 as provided for in an intergovernmental agreement between Dawson Ridge Metropolitan District Nos. 1-5. Therefore the emergency reserve related to this District is held in Dawson Ridge Metropolitan District No. 5.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAWSON RIDGE METROPOLITAN DISTRICT NO. 4**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH
FUND AND ADOPTING A BUDGET FOR THE DAWSON RIDGE METROPOLITAN
DISTRICT NO. 4, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR
BEGINNING ON THE FIRST DAY OF JANUARY, 2017, AND ENDING ON THE LAST
DAY OF DECEMBER, 2017**

WHEREAS, the Board of Directors of Dawson Ridge Metropolitan District No. 4 (the "District") has appointed Pinnacle Consulting Group, Inc., a Colorado corporation ("Pinnacle"), to prepare and submit a proposed budget to the Board of Directors of the District at the proper time;

WHEREAS, Pinnacle has submitted a proposed budget to the Board of Directors of the District before October 15, 2016, for its consideration;

WHEREAS, upon due and proper notice posted on October 31, 2016 in accordance with the law; said proposed budget was open for inspection by the public at a designated place: the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104, and interested electors of the District were given the opportunity to file or register any objections to the proposed budget; and a public hearing was held on November 2, 2016, at 9:30 a.m., at the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the Dawson Ridge Metropolitan District No. 4, Douglas County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund and attached hereto as Exhibit A, is hereby approved and adopted as the Budget of the Dawson Ridge Metropolitan District No. 4 for the year 2017.

Section 2. That the 2017 Budget hereby approved and adopted shall be signed by the President of the District, made a part of the public records of the District and filed in accordance with applicable law.

APPROVED AND ADOPTED this 4th day of November, 2016.

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 4, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____

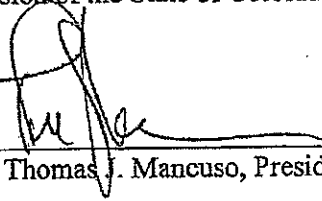

Thomas J. Mancuso, President

EXHIBIT A
DAWSON RIDGE METROPOLITAN DISTRICT NO. 4
2017 BUDGET



PINNACLE
CONSULTING GROUP, INC.

Accountant's Financial Statement Preparation Report

BOARD OF DIRECTORS
DAWSON RIDGE METROPOLITAN DISTRICT NO. 4

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of the Dawson Ridge Metropolitan District No. 4 for the year ending December 31, 2017, including the forecasted estimate of comparative information for the year ending December 31, 2016. I have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America.

The actual historical information for the year 2015 is presented for comparative purposes only.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

Brendan Campbell, CPA
January 30, 2017

DAWSON RIDGE METROPOLITAN DISTRICTS NO. 4				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2015 and 2016 Adopted and Projected Budget				
2017 Adopted Budget				
				Modified Accrual Budgetary Basis
DISTRICT NO. 4	2015	2016	2016	2017
GENERAL FUND	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$178	\$27,528	\$27,528	\$263
Specific Ownership Taxes	2,646	1,927	2,518	18
Interest & Other	0	100	100	100
Total Revenues	\$2,824	\$29,555	\$30,146	\$382
Expenditures				
Payment for Services to No. 5	\$2,822	\$29,042	\$29,633	\$278
Treasurer's Fees	3	413	413	4
Contingency	0	100	100	100
Total Operating Expenditures	\$2,824	\$29,555	\$30,146	\$382
Revenues over/(under) Exp	\$0	\$0	\$0	(\$0)
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$0)

DAWSON RIDGE METROPOLITAN DISTRICT NO. 4
2017 BUDGET MESSAGE

Dawson Ridge Metropolitan District No. 4 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established in August 1985. The District was established as part of a "Multiple District Structure" along with District Nos. 1, 2, 3 and 5. The District was organized to provide the acquisition, construction and installation of: (1) water facilities; (2) irrigation water facilities; (3) sanitation facilities; (4) storm drainage facilities; (5) park and recreation facilities; (6) street improvements; (7) street lighting; (8) traffic and safety controls and devices; and (9) transportation facilities. The District will dedicate and transfer the majority of facilities to the Town of Castle Rock for maintenance and operation.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2017 budget, the following goals are foremost for the District:

- To collect appropriate property taxes for distribution to District No. 5 (the "Service District") in order to provide the level of services desired by the constituents.

Overview

Highlights of the 2017 budget include the following:

- The District's property assessed valuation increased by \$1,500 to \$5,850.
- In 2016 the District had a large number of refunds/abatements, resulting in a temporary increase in the mill levy from 45 mills to 6,328.218 mills. In 2017 the mill levy went back to 45 mills, resulting in \$263 in property tax revenues, a decrease of \$27,265 over 2016.

General Fund

Revenue

The District has an assessed value of \$5,850 and a certified mill levy of 45 mills, which will produce property tax revenue of \$263. Specific ownership is estimated at 7% of property tax revenue in the amount of \$18. The District also estimates \$100 in interest and other income, for total estimated revenue of \$382.

Expenses

With exception of the County Treasurer's fees and a contingency, expenditures are related to transfers to Dawson Ridge District No. 5 for overall operating costs as required by an intergovernmental agreement.

Fund Balance/Reserves

The District transfers all of its revenue to Dawson Ridge Metropolitan District No. 5 as provided for in an intergovernmental agreement between Dawson Ridge Metropolitan District Nos. 1-5. Therefore the emergency reserve related to this District is held in Dawson Ridge Metropolitan District No. 5.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DAWSON RIDGE METROPOLITAN DISTRICT NO. 5**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH
FUND AND ADOPTING A BUDGET FOR THE DAWSON RIDGE METROPOLITAN
DISTRICT NO. 5, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR
BEGINNING ON THE FIRST DAY OF JANUARY, 2017, AND ENDING ON THE LAST
DAY OF DECEMBER, 2017**

WHEREAS, the Board of Directors of Dawson Ridge Metropolitan District No. 5 (the "District") has appointed Pinnacle Consulting Group, Inc., a Colorado corporation ("Pinnacle"), to prepare and submit a proposed budget to the Board of Directors of the District at the proper time;

WHEREAS, Pinnacle has submitted a proposed budget to the Board of Directors of the District before October 15, 2016, for its consideration;

WHEREAS, upon due and proper notice posted on October 31, 2016 in accordance with the law; said proposed budget was open for inspection by the public at a designated place: the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104, and interested electors of the District were given the opportunity to file or register any objections to the proposed budget; and a public hearing was held on November 2, 2016, at 9:30 a.m., at the office of Folkestad Fazekas Barrick & Patoile, P.C., located at 18 S. Wilcox Street, Suite 200, Castle Rock, Colorado 80104; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

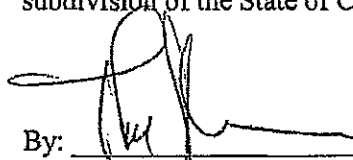
NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the Dawson Ridge Metropolitan District No. 5, Douglas County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund and attached hereto as Exhibit A, is hereby approved and adopted as the Budget of the Dawson Ridge Metropolitan District No. 5 for the year 2017.

Section 2. That the 2017 Budget hereby approved and adopted shall be signed by the President of the District, made a part of the public records of the District and filed in accordance with applicable law.

APPROVED AND ADOPTED this 14th day of November, 2016.

DAWSON RIDGE METROPOLITAN DISTRICT
NO. 5, a quasi-municipal corporation and political
subdivision of the State of Colorado



By:

Thomas J. Mancuso, President

EXHIBIT A
DAWSON RIDGE METROPOLITAN DISTRICT NO. 5
2017 BUDGET



Accountant's Financial Statement Preparation Report

BOARD OF DIRECTORS
DAWSON RIDGE METROPOLITAN DISTRICT NO. 5

I have prepared the accompanying forecasted budget of revenue, expenditures and funds balances of the Dawson Ridge Metropolitan District No. 5 for the year ending December 31, 2017, including the forecasted estimate of comparative information for the year ending December 31, 2016. I have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America.

The actual historical information for the year 2015 is presented for comparative purposes only.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

Brendan Campbell, CPA
January 30, 2017

DAWSON RIDGE METROPOLITAN DISTRICT NO. 5				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2015 and 2016 Adopted and Projected Budget				
2017 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2015	2016	2016	2017
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Actual	Budget
Property Taxes	\$2	\$2	\$2	\$2
Service Fees/Billboard Revenue, Dist No. 1	13,582	13,664	18,976	19,830
Service Fees, District No. 2	1,298	12,929	13,188	283
Service Fees, District No. 3	2,455	6,977	7,112	2,550
Service Fees, District No. 4	2,822	29,042	29,633	278
Interest & Other	15	5	201	5
Total Revenues	20,174	62,619	69,112	22,948
Expenditures				
Accounting and Finance	5,003	4,850	4,850	5,070
Directors Fees	1,077	1,000	1,000	1,077
District Management/Administration	1,872	3,300	3,300	1,827
Insurance	3,765	3,953	3,827	4,018
Office, Dues and Other	1,339	1,400	1,400	1,400
Total Operating Expenditures	\$13,056	\$14,503	\$14,377	\$13,392
Revenues over/(under) Expenditures	\$7,118	\$48,116	\$54,735	\$9,556
Beginning Fund Balance	41,306	47,906	48,424	103,159
Ending Fund Balance	\$48,424	\$96,022	\$103,159	\$112,715

DAWSON RIDGE METROPOLITAN DISTRICT NO. 5
2017 BUDGET MESSAGE

Dawson Ridge Metropolitan District No. 5 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established in August 1985. The District was established as part of a "Multiple District Structure" along with District Nos. 1-4. The District was organized to provide the acquisition, construction and installation of: (1) water facilities; (2) irrigation water facilities; (3) sanitation facilities; (4) storm drainage facilities; (5) park and recreation facilities; (6) street improvements; (7) street lighting; (8) traffic and safety controls and devices; and (9) transportation facilities. The District will dedicate and transfer the majority of facilities to the Town of Castle Rock for maintenance and operation.

The District has no employees at this time and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2017 budget, the following goals are foremost for the District:

- To provide the level of services desired by the constituents of the District in the most economic manner possible.

Overview

Highlights of the 2017 budget include the following:

- In total the assessed valuations for District 1-4 increased by \$33,300.
- In 2016 Districts 1-4 had a large number of refunds and abatements, resulting in large mill levy increases. In 2017 mill levies for Districts 1-4 went back to 45 mills each, resulting in a decrease in service fee revenues of 45,968 over 2016 projected revenues.

General Fund

Revenue

The District has assessed valuation of \$50 and a certified mill levy of 45 mills, resulting in property tax revenue of \$2. Revenue budgeted in the amount of \$22,948 consists mainly of Service Fees received from Dawson Ridge Metropolitan District Nos. 1-4 through intergovernmental agreements.

Expenses

The District's General Fund expenditures consist of administrative and operations costs of \$13,392, a decrease of \$985 from the 2016 projected budget. Most of this decrease comes from a decrease in the estimated District Management fees from \$3,300 in 2016 to \$1,827 in 2017.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2016, as defined under TABOR and holds the TABOR reserve for District Nos. 1-5.