

**SEVERANCE SOUTH METROPOLITAN DISTRICT NOS. 1-4
CONSOLIDATED ANNUAL REPORT
TO
THE TOWN OF SEVERANCE
FISCAL YEAR ENDING DECEMBER 31, 2021**

ANNUAL REPORT REQUIREMENT:

Pursuant to Section VII of the Consolidated Service Plan for Severance South Metropolitan District Nos. 1-4, the Districts shall be responsible for submitting an annual report to the Town Administrator no later than August 1st of each year following the year in which the Order and Decree creating the Districts has been issued.

The annual report shall include information as to any of the following as of December 31st of the prior year:

1. Boundary changes made to any District's boundary.

District Nos. 2-4 conducted a series of inclusion and exclusion proceedings to adjust each District's boundaries to align with the proposed development plat which has been submitted to the Town.

2. Intergovernmental agreements with other governmental entities entered into in the prior year.

The Districts did not enter into any new IGAs in 2021. District No. 4 is in negotiations with North Weld County Water District for a master meter service agreement.

3. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town.

None.

4. The assessed valuations of the Districts for the current year.

District No. 1 - \$3,980
District No. 2 - \$3,483,710
District No. 3 - \$188,310
District No. 4 - \$1,097,180

5. A description of the Public Improvements to be constructed in the subsequent year.

None, the Districts do not intend to construct or install Public Improvements.

6. Prior year's audits of the Districts' financial statements or audit exemptions, if allowed by law.

2021 Audit for District No. 1 and Audit Exemptions for Districts No. 2-4 are attached hereto as Exhibit B.

7. Notice of any uncured events of default by any of the Districts under any Debt instrument, which continue beyond a 90-day period.

No Debt has been issued and there are no defaults.

8. Current year's approved budgets attached as Exhibit A.

Adopted 2022 Budgets are attached hereto as Exhibit A.

Respectfully submitted this 30th day of July, 2022.

Fritsche Law LLC

By *Joan M. Fritsche*
Joan M. Fritsche
Attorney for the District

EXHIBIT A
ADOPTED 2022 BUDGETS

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2020 Actual and 2021 Adopted and Projected Budget				
2022 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2020	2021	2021	2022
	Audited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Service Fees - District No. 2	\$ 472,847	\$ 135,093	132,930	\$ 36,567
Service Fees - District No. 3	1,796	1,806	1,774	1,981
Service Fees - District No. 4	16,563	23,299	31,152	11,504
Total Revenues	\$ 491,206	\$ 160,198	\$ 165,856	\$ 50,052
Expenditures				
Accounting	\$ 14,490	\$ 24,960	\$ 24,960	\$ 33,410
Audit	-	9,300	6,750	7,500
Directors Fees	861	6,400	1,750	7,000
District Management/Facilities	12,360	19,560	15,000	76,700
District Engineer	-	3,000	3,000	5,000
Election	518	-	-	1,500
Insurance	1,000	3,763	3,763	3,500
Legal	10,894	70,000	20,000	20,000
Office, Dues and Other	3,178	3,980	3,980	4,700
Operations & Maintenance	-	-	-	100,000
Utilities	-	-	-	25,000
Contingency	-	20,000	-	20,000
Total Operating Expenditures	\$ 43,301	\$ 160,963	\$ 79,203	\$ 304,310
Revenues Over/(Under) Expenditures	\$ 447,905	\$ (765)	\$ 86,653	\$ (254,258)
Beginning Fund Balance	173,785	1,013,827	621,690	708,343
Ending Fund Balance	\$ 621,690	\$ 1,013,062	\$ 708,343	\$ 454,085
DEBT SERVICE FUND	2020	2021	2021	2022
	Audited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Service Fees - District No. 2	\$ -	\$ 540,373	\$ 531,721	\$ 146,263
Service Fees - District No. 3	7,182	7,223	7,108	7,921
Service Fees - District No. 4	66,250	93,198	123,498	-
Interest Income	-	-	-	15
Total Revenues	\$ 73,432	\$ 640,794	\$ 662,327	\$ 154,199
Expenditures				
Capital Note Repayment	\$ -	\$ 640,794	\$ 640,794	\$ 150,000
Total Debt Service Expenditures	\$ -	\$ 640,794	\$ 640,794	\$ 150,000
Revenues Over/(Under) Expenditures	\$ 73,432	\$ -	\$ 21,533	\$ 4,199
Beginning Fund Balance	37,337	-	110,769	132,302
Ending Fund Balance	\$ 110,769	\$ -	\$ 132,302	\$ 136,501
CAPITAL PROJECTS FUND	2020	2021	2021	2022
	Audited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Proceeds from Note	\$ 882,000	\$ 200,000	\$ 200,000	\$ -
Total Revenues	\$ 882,000	\$ 200,000	\$ 200,000	\$ -
Expenditures				
Capital Outlay	\$ 882,000	\$ 200,000	\$ 200,000	\$ -
Total Capital Expenditures	\$ 882,000	\$ 200,000	\$ 200,000	\$ -
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 2				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2020 Actual and 2021 Adopted and Projected Budget				
2022 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2020	2021	2021	2022
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Property Taxes				
General	\$ 438,825	\$ 128,660	\$ 128,660	\$ 34,825
Debt Service	-	514,641	514,641	139,298
Specific Ownership Taxes				
General	40,604	8,363	6,200	2,264
Debt Service	-	33,452	24,800	9,054
Interest & Other	1	10,000	-	10,000
Total Revenues	\$ 479,430	\$ 695,116	\$ 674,301	\$ 195,441
Expenditures				
Payment for Services to No. 1				
General	\$ 472,847	\$ 135,093	\$ 132,930	\$ 36,567
Debt Service	-	540,373	531,721	146,263
Treasurer's Fees				
General	6,583	1,930	1,930	522
Debt Service	-	7,720	7,720	2,089
Contingency	-	10,000	-	10,000
Total Operating Expenditures	\$ 479,430	\$ 695,116	\$ 674,301	\$ 195,441
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2020 Actual and 2021 Adopted and Projected Budget				
2022 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2020	2021	2021	2022
	Unaudited	Adopted	Projected	Adopted
Revenues	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes				
General	\$ 1,738	\$ 1,720	\$ 1,720	\$ 1,886
Debt Service	6,953	6,879	6,879	7,544
Specific Ownership Taxes				
General	82	112	80	123
Debt Service	330	447	332	490
Interest & Other	4	500	-	500
Total Revenues	\$ 9,107	\$ 9,658	\$ 9,011	\$ 10,543
Expenditures				
Payment for Services to No. 1				
General	\$ 1,796	\$ 1,806	\$ 1,774	\$ 1,981
Debt Service	7,182	7,223	7,108	7,921
Treasurer's Fees				
General	25	26	26	28
Debt Service	104	103	103	113
Contingency	-	500	-	500
Total Operating Expenditures	\$ 9,107	\$ 9,658	\$ 9,011	\$ 10,543
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 4				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
December 31, 2020 Actual and 2021 Adopted and Projected Budget				
2022 Adopted Budget				
Modified Accrual Budgetary Basis				
GENERAL FUND	2020	2021	2021	2022
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Property Taxes	\$ 15,613	\$ 22,190	\$ 30,286	\$ 10,956
Specific Ownership Taxes	1,183	1,442	1,070	712
Interest & Other	-	5,000	252	5,000
Total Revenues	\$ 16,796	\$ 28,632	\$ 31,608	\$ 16,668
Expenditures				
Payment for Services to No. 1	\$ 16,563	\$ 23,299	\$ 31,152	\$ 11,504
Treasurer's Fees	233	333	456	164
Contingency	-	5,000	-	5,000
Total Operating Expenditures	\$ 16,796	\$ 28,632	\$ 31,608	\$ 16,668
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
DEBT SERVICE FUND	2020	2021	2021	2022
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Property Tax	\$ 62,453	\$ 88,760	\$ 121,143	\$ 43,823
Specific Ownership Taxes	4,731	5,769	4,180	2,848
Transfer from Capital Fund	-	-	-	5,500,000
Interest Income	-	-	-	500
Total Revenues	\$ 67,184	\$ 94,529	\$ 125,323	\$ 5,547,171
Expenditures				
Payment for Services to No. 1	\$ 66,250	\$ 93,198	\$ 123,498	\$ -
Treasurer's Fees	934	1,331	1,825	657
Bond Interest	-	-	-	150,000
Paying agent fees	-	-	-	2,000
Contingency	-	-	-	44,514
Total Debt Service Expenditures	\$ 67,184	\$ 94,529	\$ 125,323	\$ 197,171
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ 5,350,000
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 5,350,000
Components of Ending Fund Balance				
Required Reserve	\$ -	\$ -	\$ -	\$ 3,000,000
Capitalized Interest	-	-	-	2,350,000
Bond Fund	-	-	-	-
Total Components of Ending Fund Balance	\$ -	\$ -	\$ -	\$ 5,350,000
CAPITAL PROJECTS FUND	2020	2021	2021	2022
	Unaudited	Adopted	Projected	Adopted
Revenues	Actual	Budget	Budget	Budget
Proceeds from Note	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlay	\$ -	\$ -	\$ -	\$ 28,650,000
Capital Acceptance	-	-	-	100,000
Total Capital Expenditures	\$ -	\$ -	\$ -	\$ 28,750,000
Other Sources/(Uses) of Funds				
Bond Proceeds	\$ -	\$ -	\$ -	\$ 35,000,000
Costs of Issuance	-	-	-	(750,000)
Transfer to Debt Service Fund	-	-	-	(5,500,000)
Total Other Sources/(Uses) of Funds	\$ -	\$ -	\$ -	\$ 28,750,000
Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

EXHIBIT B
2021 AUDIT and AUDIT EXEMPTIONS

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Severance South Metropolitan District No.1
Larimer County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Severance South Metropolitan District No. 1 (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Severance South Metropolitan District No. 1, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison schedule for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the schedule of debt service requirements to maturity and the schedule of assessed valuation, mill levy, and property taxes collected, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Denver, Colorado
July XX, 2022

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2021

	Governmental Activities
Assets	
Cash and investments	\$ 1,497,906
Due From Other Governments	3,169
Prepaid items	3,297
Capital assets, not being depreciated	882,000
Total assets	2,386,372
 Liabilities	
Accounts payable	9,979
Accrued interest	49,857
Noncurrent liabilities:	
Due in more than one year	
Promissory Notes	882,000
Total liabilities	941,836
 Net Position	
Restricted for:	
Emergencies	24,907
Debt service	725,089
Unrestricted	694,540
Total net position	\$ 1,444,536

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The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
General government	\$ 68,305	\$ -	\$ -	\$ -	\$ (68,305)
Interest and fiscal charges	46,305	-	-	-	(46,305)
Total Governmental Activities	\$ 114,610	\$ -	\$ -	\$ -	(114,610)
		General Revenues:			
				Intergovernmental	830,221
				Total General Revenues	830,243
				Change in Net Position	715,633
				Net Position - Beginning	728,903
				Net Position - Ending	\$ 1,444,536

The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 725,495	772,411	\$ -	\$ 1,497,906
Due From Other Government	634	2,535	-	3,169
Prepaid items	3,297	-	-	3,297
Total assets	<u>\$ 729,426</u>	<u>\$ 774,946</u>	<u>\$ -</u>	<u>\$ 1,504,372</u>
Liabilities				
Accounts payable	\$ 9,979	\$ -	\$ -	\$ 9,979
Total liabilities	<u>9,979</u>	<u>-</u>	<u>-</u>	<u>9,979</u>
Fund Balance				
Nonspendable:				
Prepaid items	3,297	-	-	3,297
Restricted:				
Debt service	-	774,946	-	774,946
Emergencies	24,907	-	-	24,907
Assigned:				
Subsequent year's budget: appropriation	254,258	-	-	254,258
Unassigned	436,985	-	-	436,985
Total fund balances	<u>719,447</u>	<u>774,946</u>	<u>-</u>	<u>1,494,393</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 729,426</u>	<u>\$ 774,946</u>	<u>\$ -</u>	<u>\$ 1,504,372</u>

The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2021

Amounts reported for governmental activities in the statement of net position
are different because:

Fund balance of Governmental funds	\$ 1,494,393
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	882,000
Some liabilities are not due in the current period and, therefore, are not reported in the fund balance sheet.	
Developer Advances	(882,000)
Accrued interest	<u>(49,857)</u>
Net Position of Governmental Activities	<u>\$ 1,444,536</u>

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The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental	\$ 166,044	\$ 664,177	\$ -	\$ 830,221
Interest & Other	22	-	-	22
Total revenues	<u>166,066</u>	<u>664,177</u>	<u>-</u>	<u>830,243</u>
Expenditures				
Current:				
Accounting and Finance	16,320	-	-	16,320
Audit	6,750	-	-	6,750
District Management	17,010	-	-	17,010
Director Fees	1,231	-	-	1,231
Engineering	2,205	-	-	2,205
Office, Dues, Newsletters, Other	2,450	-	-	2,450
Legal	22,339	-	-	22,339
Total expenditures	<u>68,305</u>	<u>-</u>	<u>-</u>	<u>68,305</u>
Net change in fund balances	97,761	664,177	-	761,938
Fund balances, beginning of year	<u>621,686</u>	<u>110,769</u>	<u>-</u>	<u>732,455</u>
Fund balances, end of year	<u>\$ 719,447</u>	<u>\$ 774,946</u>	<u>\$ -</u>	<u>\$ 1,494,393</u>

The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balances - Total governmental funds	\$ 761,938
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental funds.	
Change in accrued interest payable	<u>(46,305)</u>
Change in Net Position of Governmental Activities	<u>\$ 715,633</u>

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The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 160,198	\$ 166,044	\$ 5,846
Interest & Other	-	22	22
Total revenues	<u>160,198</u>	<u>166,066</u>	<u>5,868</u>
Expenditures			
Current:			
Accounting and Finance	24,960	16,320	8,640
Audit	9,300	6,750	2,550
District Management	19,560	17,010	2,550
Director Fees	6,400	1,231	5,169
Engineering	3,000	2,205	795
Insurance	3,763	-	3,763
Office, Dues, Newsletters, Other	3,980	2,450	1,530
Legal	70,000	22,339	47,661
Contingency	20,000	-	20,000
Total expenditures	<u>160,963</u>	<u>68,305</u>	<u>92,658</u>
Excess of revenues over (under) expenditures	<u>(765)</u>	<u>97,761</u>	<u>98,526</u>
Net change in fund balance	<u>\$ (765)</u>	<u>97,761</u>	<u>\$ 98,526</u>
Fund balances, beginning of year		<u>621,686</u>	
Fund balances, end of year		<u>\$ 719,447</u>	

The notes are an integral part of these financial statements.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 1 - DEFINITION OF REPORTING ENTITY

Severance South Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was established on September 5, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within Weld County, Colorado.

The District was established principally to provide streets, traffic and safety controls, street lighting, storm drainage, landscaping, parks and recreation, for the use and benefit of property owners, residents, taxpayers, and system users within and without the boundaries of the District.

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

The Districts follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential of the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other District organization nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) include all of the activities of the District. As a general rule, the effect of interfund activity has been removed from these statements. These financial statements include all of the activities of the primary government. The statement of net position reports all financial and capital resources of the District. The difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position. The District is responsible for the construction of the aforementioned improvements and payment of operational costs of all of the Severance South Metropolitan Districts. Net position reflects a balance of \$1,444,536 as of December 31, 2021.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider has been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, capital fees and interest. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In the fund financial statements, the District reports the following major governmental funds:

General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

Capital Projects Fund accounts for the resources accumulated and available for capital expenditure within the development.

Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and related expenses on the long-term general obligation debt of the governmental funds.

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

Cash and Cash Equivalents

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents. The District deposits funds in Colorado financial institutions that are eligible public depositories under the Colorado Public Deposit Protection Act, PDPA.

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

Property Tax

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District. For the year ended December 31, 2021 and budget fiscal year 2022, there were no mills levied by the District, so total property tax revenues and receivables reflect a total of \$0 on the financial statements.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year for which they are levied, in most instances in the year in which collection occurs.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Fund Balances-Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact. At December 31, 2021, the District had \$3,297 in nonspendable fund balance.

Restricted fund balance – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. At December 31, 2021, the District had \$799,853 in restricted fund balance.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2021, the District had no committed fund balance.

Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority. At December 31, 2021, the District had \$254,258 of fund balance assigned for subsequent year's budget appropriation.

Unassigned fund balance – amounts that are available for any purpose. At December 31, 2021, the general fund had unassigned fund balance of \$436,985.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and then unassigned funds.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 1,497,906
Total cash and investments	<u>\$ 1,497,906</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$ 237,885
Investments	<u>\$ 1,260,021</u>
Total cash and investments	<u>\$ 1,497,906</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's cash deposits had a bank balance of \$237,885, and a carrying balance of \$237,885. At December 31, 2021, of the District's deposits were covered by the Federal Deposit Insurance Corporation (FDIC).

Investments

The District has not adopted a formal investment policy, however, the District follows State statutes regarding investments.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. Agency securities, and securities of the World Bank
- General obligations and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools*

As of December 31, 2021, the District has the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Local Government Liquid Asset Trust	Weighted Average under 60 days	\$ 1,260,021

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
Governmental Activities				
Capital assets, not being depreciated:				
Water Rights	\$ 882,000	\$ -	\$ -	\$ 882,000
Total Capital Assets	<u>\$ 882,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 882,000</u>

Improvements are intended to be for the use and benefit of all the taxpayers, residents, and owners of real property within the District boundaries. Upon completion, the District plans to transfer all of the improvements and property to the Town of Severance or other appropriate governmental or quasi-governmental entities.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2021:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021	Due Within One Year
Governmental activities:					
Capital Note	\$ 882,000	\$ -	\$ -	\$ 882,000	\$ -
	<u>\$ 882,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 882,000</u>	<u>\$ -</u>

Capital Promissory Notes

On December 3, 2020 the District issued a promissory note to Windsor LV II, LLC for \$425,250 in exchange for the acquisition of water rights. The promissory note matures on December 31, 2050, and bears an interest rate of Prime Plus 2% adjusted annually. The interest rate in effect for the year ended December 31, 2020 was 5.25%. The note is subject to redemption prior to maturity, at the option of the District in whole or in part, at any time at a redemption price equal to the principal amount of the note plus accrued interest thereon to the date of redemption. The District made no principal payments on the note in 2021, and accrued \$24,038 of interest on the note for the year ended December 31, 2021.

On December 3, 2020 the District issued a promissory note to Windsor LV, LLC for \$456,750 in exchange for the acquisition of water rights. The promissory note matures on December 31, 2050, and bears an interest rate of Prime Plus 2% adjusted annually. The interest rate in effect for the year ended December 31, 2020 was 5.25%. The note is subject to redemption prior to maturity, at the option of the District in whole or in part, at any time at a redemption price equal to the principal amount of the note plus accrued interest thereon to the date of redemption. The District made no principal payments on the note in 2021, and accrued \$25,819 of interest on the note for the year ended December 31, 2021.

Authorized Debt

On September 8, 2017, a majority of qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$135,832,954 to fund the development.

At December 31, 2021, the District had authorized and issued indebtedness from the election in the following amounts:

	Authorized	Remaining
Voter debt authorization limit	\$ 135,832,954	\$ 134,950,954

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 6 - NET POSITION

The District’s net position consists of two components – restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

	Government Activities
Restricted net position:	
Emergencies	\$ 24,907
Debt service	725,089
Capital projects	-
	\$ 749,996

In the government-wide financial statements, the District’s assets exceeded liabilities by \$694,540 as a result of service fee collections from other Severance South Metropolitan Districts No. 2-4.

NOTE 7 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. For the year ended December 31, 2021, the District did not have liability insurance due to there being no employees of the District or capital improvement projects that started since inception of the District.

NOTE 8 - CONTINGENCY

The property in the service area of the District is currently vacant and undeveloped and there is no assurance that it will be developed as currently contemplated or at all. A number of factors may affect the development, including the overall economy of the region, Weld County, and the Town of Severance metropolitan area in particular. The collection of property and other taxes is dependent on the development occurring in the District, and the timing of debt service payments is, in part, dependent on the collection of property and other taxes.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments, except those governmental activities designated as Enterprises.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On September 8, 2017 the District's voters passed an election question authorizing the retention of all revenues received from any source during the 2020 budget year and each budget year thereafter that are in excess of the revenue and fiscal year spending limits that would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 10 - DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT

In order to implement the Service Plan, the District entered into an intergovernmental agreement with Severance South Metropolitan Districts No. 2-4 on September 8, 2017. The agreement shall remain in full force and effect until such time as each of the terms and conditions have been performed in their entirety or until the agreement is terminated by agreement amongst all Districts. Districts No. 2 through No. 4 are responsible for providing the funding needed to support the costs of public improvements for the Districts.

The District is to construct the facilities benefitting the four Districts and convey them to the Town of Severance. Districts No. 2 through No. 4 are responsible for providing the funding needed to support the costs of public improvements for the Districts.

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTE 10 - DISTRICT FACILITIES CONSTRUCTION AND SERVICE AGREEMENT
CONTINUED)

During 2021, Districts No. 2 – No.4 transferred \$830,221 to Severance South Metropolitan District No. 1 which is included in intergovernmental revenues in the accompanying statement of revenues, expenditures, and changes in fund balances.

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SUPPLEMENTARY INFORMATION

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Capital Outlay	\$ 200,000	\$ -	\$ 200,000
Total expenditures	200,000	-	200,000
Excess of revenues over (under) expenditures	(200,000)	-	200,000
Other Financing Sources (Uses)			
Proceeds From Capital Note	200,000	-	(200,000)
Total other financing sources and uses	200,000	-	(200,000)
Net change in fund balance	\$ -	-	\$ -
Fund balances, beginning of year		-	
Fund balances, end of year		\$ -	

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SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental Revenue	\$ 640,794	\$ 664,177	\$ (23,383)
Total revenues	640,794	664,177	(23,383)
Expenditures			
Debt Service			
Repayment of Capital Advances	640,794	-	640,794
Total expenditures	640,794	-	640,794
Excess of revenues over (under) expenditures	-	664,177	617,411
Net change in fund balance	\$ -	664,177	\$ 617,411
Fund balances, beginning of year		110,769	
Fund balances, end of year		\$ 774,946	

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APPLICATION FOR EXEMPTION FROM AUDIT LONG FORM

NAME OF GOVERNMENT	Severance South Metropolitan District 2
ADDRESS	c/o Pinnacle Consulting Group, Inc 550 W. Eisenhower Blvd Loveland, CO 805037
CONTACT PERSON	Irene McCaffrey
PHONE	970-669-3611
EMAIL	irenem@pcgi.com
FAX	970-669-3612

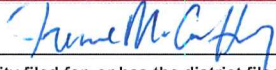
For the Year Ended
12/31/2021
or fiscal year ended:

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:	Irene McCaffrey	
TITLE	Senior Accounting Manager	
FIRM NAME (if applicable)	Pinnacle Consulting Group, Inc.	
ADDRESS	550 W. Eisenhower Blvd, Loveland, CO 80537	
PHONE	970-669-3611	
DATE PREPARED	3/1/2022	
RELATIONSHIP TO ENTITY	District Accountant	

PREPARER (SIGNATURE REQUIRED)



Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

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

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		
		General	Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ 2,673	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ 174,123	\$ -	Other Current Assets [specify...]	\$ -	\$ -	
	All Other Assets [specify...]						
1-6		\$ -	\$ -		\$ -	\$ -	
1-7		\$ -	\$ -	Total Current Assets	\$ -	\$ -	
1-8		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -	
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 176,796	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	
Deferred Outflows of Resources				Deferred Outflows of Resources			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 176,796	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities				Liabilities			
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-19	Due to Other Entities or Funds	\$ 2,673	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-21	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 2,673	\$ -	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	\$ -	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 2,673	\$ -	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -	
Deferred Inflows of Resources				Deferred Inflows of Resources			
1-28	Deferred Property Taxes	\$ 174,123	\$ -	Pension Related	\$ -	\$ -	
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ 174,123	\$ -	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	
Fund Balance				Net Position			
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -	
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 176,796	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Fund*		Fund*	Fund*	
Tax Revenue				Tax Revenue			
2-1	Property [include mills levied in Question 10-6]	\$ 643,301	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ 32,325	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 675,626	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 675,626	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	
Other Financing Sources				Other Financing Sources			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 675,626	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	GRAND TOTALS
							\$ 675,626

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

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

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General	Fund*		Fund*	Fund*
	Expenditures			Expenses		
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -
3-10	Transfers to other districts	\$ 665,976	\$ -	Utilities	\$ -	\$ -
3-11	Other [Treasurer's Fees]:	\$ 9,650	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -
3-13		\$ -	\$ -		\$ -	\$ -
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -
	Debt Service			Debt Service		
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -
3-21		\$ -	\$ -		\$ -	\$ -
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ 675,626	\$ -	Add lines 3-1 through 3-21 TOTAL EXPENSES	\$ -	\$ -
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -
					GRAND TOTAL	
					\$	675,626

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

4-1 Does the entity have outstanding debt? YES NO

4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO

4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? YES NO

How much? \$ 135,832,954

If yes: Date the debt was authorized: 11/7/2017

4-6 Does the entity intend to issue debt within the next calendar year? YES NO

If yes: How much? \$ -

4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO

If yes: What is the amount outstanding? \$ -

4-8 Does the entity have any lease agreements? YES NO

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? YES NO

What are the annual lease payments? \$ -

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

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):

	\$ -		
	\$ -		
	\$ -		
	\$ -		
TOTAL INVESTMENTS		\$ -	
TOTAL CASH AND INVESTMENTS		\$ -	

Please answer the following question by marking in the appropriate box

YES NO N/A

5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? YES NO N/A

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO N/A

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 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: YES NO

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year ¹	Additions ²	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

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

	Balance - beginning of the year ¹	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

* Must agree to prior year-end balance
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

* Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

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? \$ -

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<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 separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 695,116
	\$ -
	\$ -
	\$ -

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

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>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.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
10-1	Is this application for a newly formed governmental entity? If yes: Date of formation: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input type="text"/> PRIOR name <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10-4	Please indicate what services the entity provides: <input type="text" value="Sanitation/storm, streets, traffic & safety controls, parks & rec, transportation, mosquito control, security, covenant enforcement, water"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10-5	Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: <input type="text" value="All services provided by Severance South Metropolitan District 1"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):	<input type="checkbox"/>	<input type="checkbox"/>	

Bond Redemption mills	0.000
General/Other mills	50.000
Total mills	50.000

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes			
Unrestricted Cash & Investments	\$	-	Unrestricted Fund Balan	\$	-	Total Tax Revenue	\$	675,626	
Current Liabilities	\$	2,673	Total Fund Balance	\$	-	Revenue Paying Debt Service	\$	-	
Deferred Inflow	\$	174,123	PY Fund Balance	\$	-	Total Revenue	\$	675,626	
			Total Revenue	\$	675,626	Total Debt Service Principal	\$	-	
			Total Expenditures	\$	675,626	Total Debt Service Interest	\$	-	
			Interfund In	\$	-				
			Interfund Out	\$	-	Enterprise Funds			
Governmental			Proprietary			Net Position	\$	-	
Total Cash & Investments	\$		Current Assets	\$		PY Net Position	\$	-	
Transfers In	\$		Deferred Outflow	\$		Government-Wide			
Transfers Out	\$		Current Liabilities	\$		Total Outstanding Debt	\$	-	
Property Tax	\$	643,301	Deferred Inflow	\$		Authorized but Unissued	\$	135,832,954	
Debt Service Principal	\$		Cash & Investments	\$		Year Authorized		11/7/2017	
Total Expenditures	\$	675,626	Principal Expense	\$					
Total Developer Advances	\$								
Total Developer Repayments	\$								

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as Docusign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as Docusign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

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

	Full Name	
1	Kris Pickett	I, <u>Kris Pickett</u> , attest that 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>Kris Pickett</u> Date: <u>8/10/2022 13:33:39 MST</u> My term Expires: <u>May 2022</u>
2	Lar Voss	I, <u>Lar Voss</u> , attest that 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>Lar Voss</u> Date: <u>5/8/2022 15:28:58 PST</u> My term Expires: <u>May 2022</u>
3	Jana Pickett	I, <u>Jana Pickett</u> , attest that 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: <u>May 2022</u>
4	Eric McCarty	I, <u>Eric McCarty</u> , attest that 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>Eric McCarty</u> Date: <u>5/8/2022 12:45:33 PST</u> My term Expires: <u>May 2023</u>
5		I, _____, attest that 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: _____
6		I, _____, attest that 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: _____
7		I, _____, attest that 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
ADDRESS

Severance South Metropolitan District 3
c/o Pinnacle Consulting Group, Inc
550 W. Eisenhower Blvd
Loveland CO 80537
Irene McCaffrey
970-669-3611
irenem@pcgi.com
970-669-3612

For the Year Ended
12/31/21
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

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:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Irene McCaffrey
Senior Accounting Manager
Pinnacle Consulting Group, Inc.
550 W. Eisenhower Blvd, Loveland, CO 80537
970-669-3611
3/1/2022

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<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	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 8,599	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 431	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, 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	\$ 9,030	

PART 3 - EXPENDITURES/EXPENSES

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	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
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	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
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): Transfers to Other Districts	\$ 8,901	
3-24	Treasurers Fees	\$ 129	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 9,030	

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:
<div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain:
<div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div> | <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	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

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? \$ 135,832,954.00 | | |
| | Date the debt was authorized: 11/7/2017 | | |
| 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? <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div> | | |
| | What is the original date of the lease? <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div> | | |
| | Number of years of lease? <div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div> | | |
| | Is the lease subject to annual appropriation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | What are the annual lease payments? \$ - | | |

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):		
	<div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	\$ -	
	<div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	\$ -	
5-3	<div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	\$ -	
	<div style="border: 1px solid black; height: 15px; width: 100%; margin-top: 5px;"></div>	\$ -	
	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 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? Yes No
- 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: Yes No

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	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
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" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No

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.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 9,658

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)]?

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?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

Sanitation/storm, streets, traffic & safety controls, parks & rec, transportation, mosquito control, security, covenant enforcement, water

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

All services provided by Severance South Metropolitan District 1

10-5 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	50.000
Total mills	50.000

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Kris Pickett	I <u>Kris Pickett</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>Kris Pickett</u> Date: <u>3/10/2022 13:33:39 MST</u> My term Expires: <u>May 2022</u>
Board Member 2	Lar Voss	I <u>Lar Voss</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>Lar Voss</u> Date: <u>3/8/2022 5:28:58 PST</u> My term Expires: <u>May 2022</u>
Board Member 3	Jana Pickett	I <u>Jana Pickett</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 _____ Date: _____ My term Expires: <u>May 2022</u>
Board Member 4	Eric McCarty	I <u>Eric McCarty</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>Eric McCarty</u> Date: <u>3/8/2022 12:45:33 PST</u> My term Expires: <u>May 2023</u>
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
LONG FORM**

NAME OF GOVERNMENT
ADDRESS

Severance South Metropolitan District 4
c/o Pinnacle Consulting Group, Inc
550 W. Eisenhower Blvd
Loveland, CO 805037

For the Year Ended
12/31/2021
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

Irene McCaffrey
970-669-3611
irenem@pcgi.com
970-669-3612

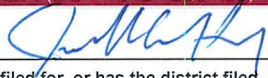
CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED
RELATIONSHIP TO ENTITY

Irene McCaffrey
Senior Accounting Manager
Pinnacle Consulting Group, Inc.
550 W. Eisenhower Blvd, Loveland, CO 80537
970-669-3611
3/1/2022
District Accountant

PREPARER (SIGNATURE REQUIRED)



Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

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

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

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General	Debt Service		Fund*	Fund*
Assets				Assets		
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ -	\$ -
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -
1-4	Due from Other Entities or Funds	\$ 92	\$ 369	Due from Other Entities or Funds	\$ -	\$ -
1-5	Property Tax Receivable	\$ 10,956	\$ 43,823	Other Current Assets [specify...]		
1-6	All Other Assets [specify...]	\$ -	\$ -		\$ -	\$ -
1-7		\$ -	\$ -	Total Current Assets	\$ -	\$ -
1-8		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 11,048	\$ 44,192	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -
Deferred Outflows of Resources				Deferred Outflows of Resources		
1-12	[specify...]		\$ -	[specify...]	\$ -	\$ -
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 11,048	\$ 44,192	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -
Liabilities				Liabilities		
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ 92	\$ 369	Due to Other Entities or Funds	\$ -	\$ -
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-21	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ 92	\$ 369	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	\$ -
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ 92	\$ 369	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -
Deferred Inflows of Resources				Deferred Inflows of Resources		
1-28	Deferred Property Taxes	\$ 10,956	\$ 43,823	Pension Related	\$ -	\$ -
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ 10,956	\$ 43,823	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -
Fund Balance				Net Position		
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -
1-32	Nonspendable Inventory	\$ -	\$ -			
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 11,048	\$ 44,192	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

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

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General	Debt Service		Fund*	Fund*
Tax Revenue				Tax Revenue		
2-1	Property <small>(include mills levied in Question 10-6)</small>	\$ 30,286	\$ 121,143	Property <small>(include mills levied in Question 10-6)</small>	\$ -	\$ -
2-2	Specific Ownership	\$ 1,114	\$ 4,454	Specific Ownership	\$ -	\$ -
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -
2-4	Other Tax Revenue <small>[specify...]</small>	\$ -	\$ -	Other Tax Revenue <small>[specify...]</small>	\$ -	\$ -
2-5		\$ -	\$ -		\$ -	\$ -
2-6		\$ -	\$ -		\$ -	\$ -
2-7		\$ -	\$ -		\$ -	\$ -
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 31,400	\$ 125,597	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -
2-19	Interest/Investment Income	\$ 125	\$ 503	Interest/Investment Income	\$ -	\$ -
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -
2-22	All Other <small>[specify...]</small>	\$ -	\$ -	All Other <small>[specify...]</small>	\$ -	\$ -
2-23		\$ -	\$ -		\$ -	\$ -
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 31,525	\$ 126,100	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -
Other Financing Sources				Other Financing Sources		
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -
2-27	Other <small>[specify...]</small>	\$ -	\$ -	Other <small>[specify...]</small>	\$ -	\$ -
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 31,525	\$ 126,100	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -
						GRAND TOTALS
						\$ 157,625

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

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

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General	Debt Service		Fund*	Fund*
	Expenditures			Expenses		
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -
3-10	Transfers to other districts	\$ 31,069	\$ 124,275	Utilities	\$ -	\$ -
3-11	Other (Treasurer's Fees):	\$ 456	\$ 1,825	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -
3-13		\$ -	\$ -		\$ -	\$ -
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -
	Debt Service			Debt Service		
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -
3-21		\$ -	\$ -		\$ -	\$ -
3-22	Add lines 3-1 through 3-21	\$ 31,525	\$ 126,100	Add lines 3-1 through 3-21	\$ -	\$ -
	TOTAL EXPENDITURES			TOTAL EXPENSES		
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -
3-29	(Add lines 3-23 through 3-28)			(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -
	TOTAL TRANSFERS AND OTHER EXPENDITURES					
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -
3-33	Fund Balance, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -	Net Position, December 31 Sum of Lines 3-30, 3-31, and 3-32 This total should be the same as line 1-37.	\$ -	\$ -

GRAND TOTAL
\$ 157,625

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

4-1 Does the entity have outstanding debt? YES NO

4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO

4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? YES NO

How much? \$ 135,832,954

Date the debt was authorized: 11/7/2017

4-6 Does the entity intend to issue debt within the next calendar year? YES NO

How much? \$ -

4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO

What is the amount outstanding? \$ -

4-8 Does the entity have any lease agreements? YES NO

What is being leased? _____

What is the original date of the lease? _____

Number of years of lease? _____

Is the lease subject to annual appropriation? YES NO

What are the annual lease payments? \$ -

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

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):

	\$ -		
	\$ -		
	\$ -		
	\$ -		
TOTAL INVESTMENTS		\$ -	
TOTAL CASH AND INVESTMENTS		\$ -	

Please answer the following question by marking in the appropriate box

YES NO N/A

5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? YES NO N/A

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO N/A

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box

YES

NO

Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 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: YES NO

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year 1	Additions 2	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

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

	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

* Must agree to prior year-end balance
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

YES

NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

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?	\$ -

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box

YES NO N/A

Please use this space to provide any explanations or comments:

- 8-1 Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: YES NO N/A
- 8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: YES NO N/A

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 31,608
Debt Service	\$ 126,100
	\$ -
	\$ -

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

Please answer the following question by marking in the appropriate box

YES NO

Please use this space to provide any explanations or comments:

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? YES NO

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box

YES NO

Please use this space to provide any explanations or comments:

- 10-1 Is this application for a newly formed governmental entity? YES NO

If yes: Date of formation:

- 10-2 Has the entity changed its name in the past or current year? YES NO

If Yes: NEW name
 PRIOR name

- 10-3 Is the entity a metropolitan district? YES NO

- 10-4 Please indicate what services the entity provides:

- 10-5 Does the entity have an agreement with another government to provide services? YES NO

If yes: List the name of the other governmental entity and the services provided:

- 10-6 Does the entity have a certified mill levy? YES NO

If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):

Bond Redemption mills	0.000
General/Other mills	50.000
Total mills	50.000

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes
Unrestricted Cash & Investments	\$	-	Unrestricted Fund Balan \$	-	Total Tax Revenue	\$ 156,997
Current Liabilities	\$	461	Total Fund Balance \$	-	Revenue Paying Debt Service	\$ -
Deferred Inflow	\$	54,779	PY Fund Balance \$	-	Total Revenue	\$ 157,625
			Total Revenue \$	31,525	Total Debt Service Principal	\$ -
			Total Expenditures \$	31,525	Total Debt Service Interest	\$ -
			Interfund In \$	-		
Governmental			Interfund Out \$	-	Enterprise Funds	
Total Cash & Investments	\$		Proprietary		Net Position	\$ -
Transfers In	\$		Current Assets	\$	PY Net Position	\$ -
Transfers Out	\$		Deferred Outflow	\$	Government-Wide	
Property Tax	\$	151,429	Current Liabilities	\$	Total Outstanding Debt	\$ -
Debt Service Principal	\$		Deferred Inflow	\$	Authorized but Unissued	\$ 135,832,954
Total Expenditures	\$	157,625	Cash & Investments	\$	Year Authorized	11/7/2017
Total Developer Advances	\$		Principal Expense	\$		
Total Developer Repayments	\$					

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

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

	Full Name	
1	Kris Pickett	I, <u>Kris Pickett</u> , attest that 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>Kris Pickett</u> Date: <u>3/10/2022 13:33:39 MST</u> My term Expires: <u>May 2022</u>
2	Lar Voss	I, <u>Lar Voss</u> , attest that 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>Lar Voss</u> Date: <u>3/8/2022 15:28:58 PST</u> My term Expires: <u>May 2022</u>
3	Jana Pickett	I, <u>Jana Pickett</u> , attest that 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: <u>May 2022</u>
4	Eric McCarty	I, <u>Eric McCarty</u> , attest that 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>Eric McCarty</u> Date: <u>3/8/2022 12:45:33 PST</u> My term Expires: <u>May 2023</u>
5		I, _____, attest that 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: _____
6		I, _____, attest that 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: _____
7		I, _____, attest that 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: _____