



STATE OF COLORADO

OFFICE OF THE STATE AUDITOR
(303) 866-2051
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JOANNE HILL, CPA
State Auditor

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

April 15, 2002

Board of Directors
Buckhorn Valley Metropolitan District No. 2
c/o Robertson & Marchetti, P.C.
P. O. Box 600
Edwards, Colorado 81632

RE: #1023.02

Dear Board Members:

Your Application for Exemption from Audit for the year ended December 31, 2001 is approved.

If we may be of any assistance to you, please feel free to call us.

Sincerely,

Valri Gimple, CPA
Senior Legislative Auditor

VG:id

cc: Division of Local Government

COPY

Application for Exemption from Audit

For the year ended December 31, 2001
(Fiscal year ended) _____, _____

Entity: Buckhorn Valley Metropolitan District No. 2
Address: P.O. Box 480
Gypsum, CO 81637
Telephone: 970- 524-5055 **Year Last Audited:** n/a

The Local Government Audit Law, Section 29-1-604, C.R.S., requires local governments to meet the following criteria in order to be considered for approval for exemption from audit requirements by the Office of the State Auditor.

Revenues or Expenditures	Exempt from Audit?	Who completes exemption form?
Less than \$100,000	Yes	*Person skilled in governmental accounting
More than \$100,000 but less than \$300,000	Yes	**Independent accountant with knowledge of governmental accounting requirements
More than \$300,000	No (Audit is required)	Not Applicable

*This means possessing sufficient knowledge of governmental accounting to complete the exemption form.
**Independent means someone who is separate from the entity.

Certification of Preparer


I certify that I meet the requirements above to complete this Application for Exemption from Audit and that the information in this Application is complete and accurate to the best of my knowledge.

Name: Kenneth J. Marchetti Title: President

Firm Name: Robertson & Marchetti, P.C.

Firm Address: 28 Second Street, Suite 213, Edwards, CO 81632

Date Prepared: 3/20/02 Phone Number: 970-926-6060

SIGNATURE: 

The Audit Law requires that a person independent of the entity complete the Application if revenues or expenditures are more than \$100,000 but less than \$300,000. Please describe what your relationship is with the entity.

Governing Body Approval

We, the undersigned, certify that this application for exemption has been:

- < Prepared consistent with Section 29-1-604, C.R.S., which states that an application with revenues and expenditures less than \$100,000 must be prepared by a person skilled in governmental accounting OR an application with revenues and expenditures more than \$100,000 but less than \$300,000 must be prepared by an independent accountant with knowledge of governmental accounting.
- < Completed to the best of our knowledge and is accurate and true.
- < Reviewed and approved by a majority of the governing body at a meeting of the governing body.

Name (please print or type)	Date Term Expires	Signature
Samantha G. Gale	May 2002	<i>Samantha Gale</i>
Robert J. Kingston	May 2004	<i>Robert Kingston</i>
Mallie J. Kingston	May 2002	<i>Mallie J. Kingston</i>

**Application for Exemption from Audit
Balance Sheet for All Funds and Account Groups**

	Fund	Fund	Fund	**Account Group	Total
Assets:					
Cash & Cash Equivalents	2,577				2,577
Investments					0
Receivables:					
Accounts Receivable					0
Taxes	32,673				32,673
Other: Due from Developer	1,722				1,722
					0
Due from other Entities or Funds					0
Restricted Assets: (specify)					0
					0
Property and Equipment:					
Land					0
Buildings					0
Machinery and Equipment					0
Furniture and Fixtures					0
Accumulated Depreciation					0
Amt. to be provided for long-term debt					0
Other: (specify)					0
					0
*Total Assets:	36,972	0	0	0	36,972
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable					0
Accrued Payroll and Related Liabilities					0
Accrued Interest Payable					0
Due to other Entities or Funds	3,373				3,373
Deferred Revenue	32,636				32,636
Bank Loans Payable					0
Farmer's Home Admin. Payable					0
Bonds Payable:					
General Obligation Bonds Payable:					
Current					0
Long-term					0
Revenue Bonds Payable:					
Current					0
Long-term					0
Lease Purchase Agreements					0
Other: (specify)					0
					0
Total Liabilities:	36,009	0	0	0	36,009
Equity:					
Investment in General Fixed Assets					0
Contributed Capital					0
Fund Balance and/or Retained Earnings:					
Emergency Reserves					0
Other Designations/Reserves					0
Undesignated/Unreserved	963				963
Total Equity:	963	0	0	0	963
*Total Liabilities and Equity:	36,972	0	0	0	36,972

* Total Assets should equal Total Liabilities and Total Equity.

**This column may be used to record financial information for a Fund or an Account Group. Please specify.

Note: Attach additional sheets as necessary.

For assistance in completing these financial forms, see the Application instructions.

**Application for Exemption from Audit
Operating Statement - All Governmental and Expendable Trust Funds**

(Includes General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds)

	Fund	Fund	Fund	Fund	Total (Enter amount in Fund 9)
Revenues and Other Financing Sources:					
Taxes:					
Property	2,506				2,506
Specific Ownership	201				201
Sales and Use Tax					0
Other: (specify)					0
Licenses and Permits					0
Intergovernmental:					0
Highway User Tax					0
Mineral Leasing					0
Conservation Trust Fund					0
Community Development Block Grant					0
Fire & Police Pension					0
Other: (specify)					0
Charges for Sales and Services					0
Fines and Forfeits					0
Special Assessments					0
Interest/Investment Income	4				4
Debt Proceeds					0
Sale of Fixed Assets					0
Other: (specify)					0
Total Revenues and Other Financing Sources:	2,711	0	0	0	2,711
Expenditures and Other Financing Uses:					
Current:					
General Government:	1,748				1,748
Judicial:					0
Public Safety:					
Law Enforcement					0
Fire					0
Other: (specify)					0
Public Works:					
Highways & Streets					0
Solid Waste					0
Other: (specify)					0
Health					0
Culture and Recreation:					0
Other: (specify)					0
Capital Outlay					0
Debt Service:					
Principal					0
Interest					0
Bond Issuance Costs					0
Total Expenditures and Other Financing Uses:	1,748	0	0	0	1,748
Net Interfund Transfers:					0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses:	963	0	0	0	963
Fund Balance, January 1:	0				0
Fund Balance, December 31:	963	0	0	0	963

Note: Attach additional sheets as necessary.

Application for Exemption from Audit
Operating Statement - Proprietary and Similar Trust Funds
(Includes Enterprise, Internal Service, Nonexpendable Trust, and Pension Trust Funds)

	Fund	Fund	Fund	Total	Total from Pages	Total Add-ends
Revenues and Other Financing Sources:						
Taxes:						
Property				0		
Specific Ownership				0		
Sales and Use Tax				0		
Other: (specify)				0		
Grants and Subsidies:						
Mineral Leasing				0		
Community Development Block Grant				0		
Conservation Trust Fund				0		
Fire & Police Pension				0		
Other: (specify)				0		
				0		
Charges for Sales and Services				0		
Rental Income				0		
Interest Revenue				0		
Other: (specify)				0		
Sub-Total Revenues:	0	0	0	0		
Other Financing Sources:						
Tap fees				0		
Development fees				0		
Debt proceeds				0		
Sale of Fixed Assets				0		
Other: (specify)				0		
				0		
Sub-Total Other Financing Sources:	0	0	0	0		
Total Revenues and Other Financing Sources:	0	0	0	0	2,711	2,711
Expenses and Other Financing Uses:						
General Operating & Administrative						
Salaries				0		
Payroll Taxes				0		
Contract Services				0		
Employee Benefits				0		
Insurance				0		
Accounting and Legal fees				0		
Repair and Maintenance				0		
Supplies				0		
Utilities				0		
Capital Outlay				0		
Debt Service:						
Debt Principal				0		
Interest				0		
Other: (specify)				0		
Total Expenses and Other Financing Uses:	0	0	0	0	1,748	1,748
Net Interfund Transfers:				0		
Reconciling Items:						
Subtract: Other Financing Sources Subtotal				0		
Depreciation				0		
Add back: Capital Outlay				0		
Debt Principal				0		
Other: (specify)				0		
Total Reconciling Items:	0	0	0	0		
Net Income:	0	0	0	0		
Retained Earnings, January 1:				0		
Retained Earnings, December 31:	0	0	0	0		

Note: Attach additional sheets as necessary. For assistance in completing these financial forms, see the Application instructions.

General Questions Concerning the Entity

1. What type of services does the entity provide? (check the applicable services)

<u> </u> Police	<u> </u> Electric	<u> </u> Cemetery
<u>X</u> Street Maint.	<u>X</u> Traffic Control	<u>X</u> Sewer
<u> </u> Fire	<u> </u> Health	<u>X</u> Parks & Recreation
<u>X</u> Pest Control	<u> </u> Trash Removal	<u>X</u> Street Lighting
<u>X</u> Water	<u>X</u> Other - explain <u>television relay and translator</u>	

2. Does the entity provide services in cooperation with any other governmental unit (i.e., mutual aid or intergovernmental agreements)? Yes X No N/A

If so, list service and name of other government entity. Buckhorn Valley Metropolitan District No. 1 Regional Facilities Agreement

Is the entity financially accountable for any other organizations?

Yes No X N/A

Note: Financially accountable is defined by governmental standards as, AThe level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.@

If so, what are the names of the other organizations? _____

3. Pension Information:

a) How many employees does the entity have? none Volunteers? none

2) Please indicate amount of pension contributions applicable to the following employee/volunteer plans:

	Employer/Local Contribution
Social Security	\$ _____
Public Employees Retirement Assn. (PERA)	\$ _____
Fire and Police Pension Assn. (FPPA)	\$ _____
* Other	\$ _____

*Please provide a plan name and description if "Other" employee/volunteer pension plan is indicated above. _____

1) If the State contributes to local fire and police pension plans, please indicate the amount. \$ _____

4. Interfund Transfers: Please list interfund transfers by fund and amount.

<u>Interfund Transfers From:</u>		<u>Interfund Transfers To:</u>	
_____	Fund \$ _____	_____	Fund \$ _____
_____	Fund \$ _____	_____	Fund \$ _____
_____	Fund \$ _____	_____	Fund \$ _____
_____	Fund \$ _____	_____	Fund \$ _____

5. Does the entity take an annual inventory of individual items of property, including equipment and fixtures, in accordance with Section 29-1-504, C.R.S., inventory requirements?

Yes ___ No ___ N/A X

6. Are the entity's deposits entirely covered by Federal Insurance?

Yes X No ___ N/A ___

If 6 is no, are the deposits collateralized in accordance with the Public Deposit Protection Act? (The entity may need to consult with its financial institution to answer this question.)

Yes ___ No ___ N/A X

7. Please list the amount and types of investments your entity holds, in accordance with Section 24-75-601.3, C.R.S.

N/A	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

8. Budget Information:

a) Did the entity file a budget with the Department of Local Affairs, in accordance with Section 29-1-103, C.R.S.?

Yes X No ___ N/A ___

b) Please list the expenditures portion of the adopted budget, including any supplementals, of the reporting year by fund. (A budget to actual statement may be substituted.)

<u>Fund Type</u>	<u>Adopted Budget</u>
General Fund	\$ 7,531
_____ Fund	\$ _____
_____ Fund	\$ _____
_____ Fund	\$ _____
_____ Fund	\$ _____
_____ Fund	\$ _____
Total	\$ 7,531

9. Debt Information: (Please attach a copy of the entity's debt schedule for any debt, including general obligation bonds and revenue bonds.)

a) Is the entity current in its debt service payments? . Yes ___ *No ___ N/A X
(*If no, please explain in the comments section provided below.)

b) Does the entity have any authorized, but unissued, bonds?
Yes X No ___ N/A ___
If so, what amount? \$ See attached What year(s) authorized? 2000

c) Does the entity have refunded/defeased debt? Yes ___ No ___ N/A X
If so, include amount outstanding. _____

d) Lease Agreements:
What is being leased? N/
What is the original date of the lease? _____
How many years is this lease for? _____
Is this lease subject to annual appropriation? _____
What are the entity's annual lease payments? \$ _____

10. Does the entity believe it is in compliance with all provisions of TABOR?
Yes X No ___ N/A ___

If no or N/A, please explain. _____

11. Are there any pass-through grants or other resources that are not included in the financial information submitted? Yes ___ No ___ N/A X

If yes, please describe. _____

12. Comments: _____

13. Mail Form to: Office of the State Auditor
Local Government Audits
Legislative Services Building
200 E. 14th Avenue
Denver, CO 80203 - 2211