



STATE OF COLORADO

JOANNE HILL, CPA  
State Auditor

OFFICE OF THE STATE AUDITOR  
LOCAL GOVERNMENT AUDIT SECTION  
(303) 869-2870  
FAX (303) 869-2875

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

March 12, 2003

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:

We have reviewed the Application for Exemption from Audit and accompanying financial information of the Buckhorn Valley Metropolitan District No. 2. The application for the year ended December 31, 2002 is approved. We noted the following items that we believe deserve your attention.

The District stated that it takes an annual inventory on question 5 on page B-11, however, the District has not recorded any assets on page B-7 of the application. Please clarify this on future applications.

On question 9a on page B-12 the District stated that it is not in current with its debt service payments, however, the District has not recorded debt on page B-7 of the application. Please clarify this on future applications.

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

Sincerely,

Dianne E. Ray, CPA  
Director of Local Government Audits

DER:id

cc: Division of Local Government

# Application for Exemption from Audit

For the year ended December 31,  
(Fiscal year ended) 2002,

Entity: Buckhorn Valley Metropolitan District No. 2

Address: PO 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 <u>skilled</u> in governmental accounting
More than \$100,000 but less than \$300,000	Yes	** <u>Independent accountant</u> 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, CPA Title: District Accountant

Firm Name: Robertson & Marchetti, P.C.

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

Date Prepared: 2/28/03 Phone Number: (970) 926-6060

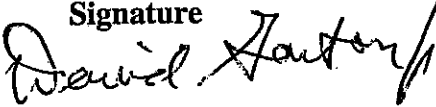



SIGNATURE: *Kj Marchetti*

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. Outside Accountant / CPA.

### 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		Signature
	Expires		
Dave Garton	05/04		
Sande Garton	05/04		
Samantha Gale	05/06		
Robert Kingston	05/04		
Mallie Kingston	05/06		

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

Ln#		Fund	Fund	Fund	**Account Group	Total
1	<b>Assets:</b>					
2	Cash & Cash Equivalents	1,839	26,249			28,088
3	Investments					0
4	<b>Receivables:</b>					
5	Accounts Receivable					0
6	Taxes	16	47,949			47,965
7	Other:					0
8						0
9	Due from other Entities or Funds					0
10	Restricted Assets: (specify)					0
11						0
12	<b>Property and Equipment:</b>					
13	Land					0
14	Buildings					0
15	Machinery and Equipment					0
16	Furniture and Fixtures					0
17	Accumulated Depreciation					0
18	Amt. to be provided for long-term debt					0
19	Other: (specify)					0
20						0
21	<b>*Total Assets: (add lines 2 through 20)</b>	1,855	74,198	0	0	76,053
22	<b>Liabilities and Fund Equity:</b>					
23	<b>Liabilities:</b>					
24	Accounts Payable					0
25	Accrued Payroll and Related Liabilities					0
26	Accrued Interest Payable					0
27	Due to other Entities or Funds	100				100
28	Deferred Revenue		47,834			47,834
29	Bank Loans Payable					0
30	Farmer's Home Admin. Payable					0
31	<b>Bonds Payable:</b>					
32	<b>General Obligation Bonds Payable:</b>					
33	Current					0
34	Long-term					0
35	<b>Revenue Bonds Payable:</b>					
36	Current					0
37	Long-term					0
38	Lease Purchase Agreements					0
39	Other: (specify)					0
40						0
41	<b>Total Liabilities: (add lines 24 through 40)</b>	100	47,834	0	0	47,934
42	<b>Equity:</b>					
43	Investment in General Fixed Assets					0
44	Contributed Capital					0
45	<b>Fund Balance and/or Retained Earnings:</b>					
46	Emergency Reserves					0
47	Other Designations/Reserves	1,755	26,364			28,119
48	Undesignated/Unreserved					0
49	<b>Total Equity: (add lines 43 through 48 - this total should be the same as line 51 on page B-8 or line 55 on page B-9)</b>	1,755	26,364	0	0	28,119
50	<b>*Total Liabilities and Equity: (add lines 41 and 49 - this total should be the same as line 21)</b>	1,855	74,198	0	0	76,053

\* 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)						
Ln#		Fund	Fund	Fund	Fund	Total Carry-forward to Page 9
1	<b>Revenues and Other Financing Sources:</b>					
2	Taxes:					
3	Property	3,766	26,364			30,130
4	Specific Ownership	221	1,552			1,773
5	Sales and Use Tax					0
6	Other: (specify)					0
7						0
8	Licenses and Permits					0
9	Intergovernmental:					0
10	Highway User Tax					0
11	Mineral Leasing					0
12	Conservation Trust Fund					0
13	Community Development Block Grant					0
14	Fire & Police Pension					0
15	Other: (specify)					0
16	Charges for Sales and Services					0
17	Fines and Forfeits					0
18	Special Assessments					0
19	Interest/Investment Income	18				18
20	Debt Proceeds					0
21	Sale of Fixed Assets					0
22	Other: (specify)					0
23						
24	<b>Total Revenues and Other Financing Sources: (Add lines 3 through 23)</b>	4,005	27,916	0	0	31,921
25	<b>Expenditures and Other Financing Uses:</b>					
26	Current:					
27	General Government:	3,974	791			4,765
28	Judicial:					0
29	Public Safety:					0
30	Law Enforcement					0
31	Fire					0
32	Other: (specify)					0
33	Public Works:					0
34	Highways & Streets					0
35	Solid Waste					0
36	Other: (specify)					0
37	Health					0
38	Culture and Recreation:					0
39	Other: (specify)					0
40						0
41	Capital Outlay					0
42	Debt Service:					0
43	Principal					0
44	Interest					0
45	Bond Issuance Costs					0
46	<b>Total Expenditures and Other Financing Uses: (Add lines 27 through 45)</b>	3,974	791	0	0	4,765
47	<b>Net Interfund Transfers:</b>	761	-761			0
49	<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures &amp; Other Uses (subtract line 46 from 24 and add line 47)</b>	31	27,125	0	0	27,156
50	<b>Fund Balance, January 1: (from December 31 prior year report)</b>	963	0			963
51	<b>Fund Balance, December 31: (add lines 49 and 50 - this total should be the same as line 49 on page B-7)</b>	1,755	26,364	0	0	28,119

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

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

Ln#		Fund	Fund	Fund	Total	Total from Page 8	Total All Funds
1	<b>Revenues and Other Financing Sources:</b>						
2	<b>Taxes:</b>				0		
3	Property				0		
4	Specific Ownership				0		
5	Sales and Use Tax				0		
6	Other: (specify)				0		
7	<b>Grants and Subsidies:</b>				0		
8	Mineral Leasing				0		
9	Community Development Block Grant				0		
10	Conservation Trust Fund				0		
11	Fire & Police Pension				0		
12	Other: (specify)				0		
13					0		
14	<b>Charges for Sales and Services</b>				0		
15	Rental Income				0		
16	Interest Revenue				0		
17	Other: (specify)				0		
18	<b>Sub-Total Revenues: (add lines 3 through 17)</b>	0	0	0	0		
19	<b>Other Financing Sources:</b>				0		
20	Tap fees				0		
21	Development fees				0		
22	Debt proceeds				0		
23	Sale of Fixed Assets				0		
24	Other: (specify)				0		
25					0		
26	<b>Sub-Total Other Financing Sources: (add lines 20 through 25)</b>	0	0	0	0		
27	<b>Total Revenues and Other Financing Sources: (add lines 18 and line 26)</b>	0	0	0	0	31,921	31,921
28	<b>Expenses and Other Financing Uses:</b>				0		
29	General Operating & Administrative				0		
30	Salaries				0		
31	Payroll Taxes				0		
32	Contract Services				0		
33	Employee Benefits				0		
34	Insurance				0		
35	Accounting and Legal fees				0		
36	Repair and Maintenance				0		
37	Supplies				0		
38	Utilities				0		
39	Capital Outlay				0		
40	Debt Service:				0		
41	Debt Principal				0		
42	Interest				0		
43	Other: (specify)				0		
44	<b>Total Expenses and Other Financing Uses: (add lines 29 through 43)</b>	0	0	0	0	4,765	4,765
45	<b>Net Interfund Transfers:</b>				0		
46	<b>Reconciling Items:</b>						
47	Subtract: Other Financing Sources Subtotal (from line 26)	0	0	0	0		
48	Depreciation				0		
49	Add back: Capital Outlay (from line 39)	0	0	0	0		
50	Debt Principal (from line 41)	0	0	0	0		
51	Other: (specify)				0		
52	<b>Total Reconciling Items: (subtract lines 47 and 48, add lines 49 through 51)</b>	0	0	0	0		
53	<b>Net Income: (add line 27, subtract line 44, add line 45, add line 52)</b>	0	0	0	0		
54	Retained Earnings, January 1: (from December 31 on prior year report)				0		
55	<b>Retained Earnings, December 31: (add line 53 and 54 - this total should be the same as line 49 on page B-7)</b>	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>X</u> Police	<u>X</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>X</u> Trash Removal	<u>X</u> Street Lighting
<u>X</u> Water	<u>X</u> Other Television Relay and Translation	

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 District Facilities Construction and Service 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>	
Debt Service	Fund \$ 761	General	Fund \$ 761
_____	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

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

Yes  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

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  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	\$ 5788
_____ Fund	\$ _____
_____ Fund	\$ _____
_____ Fund	\$ _____
_____ Fund	\$ _____
_____ Fund	\$ _____
<b>Total</b>	\$ _____

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 X N/A  
(\*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? 2002

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

d) Lease Agreements: None  
What is being leased?  
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 X N/A

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

Buckhorn Valley Metropolitan District No. 2  
 Summary of May 2000 Election Questions

	Amount	Type
Ballot Issue C	3,000,000	Street Improvements
Ballot Issue D	1,000,000	Traffic and Safety Controls
Ballot Issue E	7,980,000	Potable and Non-Potable Water System
Ballot Issue F	3,325,000	Sanitary Sewage
Ballot Issue G	3,990,000	Parks and Recreation
Ballot Issue H	500,000	Television Relay and Translation System
Ballot Issue I	250,000	Pest Control Facilities and Equipment
Ballot Issue J	500,000	Operations and Maintenance
<b>Total</b>	<b>20,545,000</b>	
Ballot Issue K	21,280,000	Refunding, Paying or Defeasing Bonds
Ballot Issue L	500,000	Annual Appropriation to Contract with BVMD #1 for Operations
Ballot Issue M	21,280,000	Contract with BVMD #2 for Infrastructure
Ballot Issue N	500,000	Contract Costs, Note Costs, and Bond Issue Costs
Ballot Issue O		De-Bruce
Ballot Issue P		Organization of District
Ballot Issue Q		Elimination of Term Limits