

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

Name of Government:	Waterfall Metro District No. 1	For the Fiscal Year ended December 31, 2008 or fiscal year ended:
Address:	c/o Pinnacle Consulting Group, Inc. 5110 Granite Street, Suite C Loveland, CO 80538	
Contact Person:	Peggy Dowswell, CPA	
Telephone:	(970) 669-3611	
E-Mail:	peggyd@pinnacleconsultinggroupinc.com	
Fax:	(970) 669-3612	

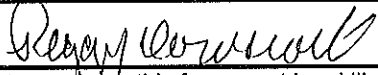
Return to: Office of the State Auditor
 Local Government Audit Division
 225 E. 16th Ave., Suite 555
 Denver, CO 80203
FAX: (303) 866-4062
 Email: OSA.LG@state.co.us
 Call (303) 866-3338 if you need help completing this form.

Section 29-1-604, C.R.S. outlines the provisions for an exemption from audit. Generally, any local government where neither revenues nor expenditures exceed \$500,000 in any fiscal year qualify for an exemption.
If both revenues and expenditures are less than \$100,000 individually, you may use this form.
If either revenues or expenditures are \$100,000, but not more than \$500,000, you must use the long form application for exemption from audit.

Instructions:
 In order to ensure that your government's application will be accepted by the Office of the State Auditor, you must do the following:

1. Prepare this form completely and accurately. Please note that there are seven parts to this form and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year. For years ended December 31, the form **must** be received by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by a person skilled in governmental accounting.
4. The application may be **mailed, faxed, or emailed** as indicated above. If faxed or emailed, a resolution of the governing board **must** accompany the application from exemption from audit in a format that includes the signatures of a majority of the governing body (see sample resolution). If mailed, an original plus one copy should be sent.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

PART 1 - CERTIFICATION OF PREPARER

1-1	Name: Peggy Dowswell	Title: District Accountant	
1-2	Firm name (if applicable): Pinnacle Consulting Group, Inc.		
1-3	Address: 5110 Granite Street, Ste C, Loveland, CO 80538		
1-4	Telephone number: (970) 669-3611	Date prepared: 2/25/09	
1-5	Signature: 		
	The person that completes this form must be skilled in governmental accounting. (Skilled means possessing sufficient knowledge of governmental accounting to complete the exemption form.)	Check One	
		Yes	No
1-6	Are you skilled in governmental accounting? If no, this exemption will be rejected.	X	

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	(Omit cents)
2-1	Taxes: Property	\$ -
2-2	Specific Ownership	\$ -
2-3	Sales and Use	\$ -
2-4	Other (specify):	\$ -
2-5	Licenses and permits	\$ -
2-6	Intergovernmental: Grants	\$ -
2-7	Conservation Trust Funds (Lottery)	\$ -
2-8	Highway User Tax Funds (HUTF)	\$ -
2-9	Other (specify):	\$ -
2-10	Charges for services	\$ 21,397
2-11	Fines and forfeits	\$ -
2-12	Special assessments	\$ -
2-13	Investment income	\$ 1
2-14	Charges for utility services	\$ -
2-15	Debt proceeds	\$ -
2-16	Lease proceeds	\$ -
2-17	Proceeds from sale of capital assets	\$ -
2-18	Fire and police pension	\$ -
2-19	Other (specify): Developer Advance	\$ -
2-20		\$ -
2-21		\$ -
2-22	TOTAL REVENUE all sources	\$ 21,398

PART 3 - EXPENDITURES

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

Line#	Description	(Omit cents)
3-1	Administrative	\$ 8,292
3-2	Salaries	\$ -
3-3	Payroll taxes	\$ -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ -
3-7	Accounting and legal fees	\$ 6,316
3-8	Repair and maintenance	\$ -
3-9	Supplies	\$ 260
3-10	Utilities and telephone	\$ -
3-11	Fire/Police	\$ -
3-12	Streets and highways	\$ -
3-13	Public health	\$ -
3-14	Culture and recreation	\$ -
3-15	Utility operations	\$ -
3-16	Capital outlay	\$ 5,905
3-17	Debt service principal	\$ -
3-18	Debt service interest	\$ -
3-19	Contribution to pension plan	\$ -
3-20	Contribution to FPPA	\$ -
3-21	Other (specify):	\$ -
3-22		\$ -
3-23		\$ -
3-24		\$ -
3-25	TOTAL EXPENDITURES all categories	\$ 20,773

PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED

Please answer the following questions by marking the appropriate box		Yes	No
4-1	Do you have outstanding debt?		X
If yes:	Is the debt repayment schedule attached? If no, please explain:		
	Please complete the following debt schedule, if applicable:	Outstanding at end of prior year	Issued during fiscal year
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/loans	\$ -	\$ -
	Leases	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
Please answer the following questions by marking the appropriate box		Yes	No
4-2	Does the entity have any authorized, but unissued debt?	X	
If yes:	How much?	\$ 12,000,000	
	What is the authorization date?	4/1/2008	
4-3	Does the entity intend to issue debt within the next calendar year (2009)?		X
If yes:	How much?	\$ -	
Please answer the following questions by marking the appropriate box		Yes	No
4-4	Do you have any debt that has been refinanced that you are still responsible for?		X
If yes:	What is the amount outstanding?	\$ -	
Please answer the following questions by marking the appropriate box		Yes	No
4-5	Do you have any lease agreements?		X
If yes:	Indicate what is being leased and the original date of the lease:		
	Is the lease subject to annual appropriation?		
	For how many years is the lease?		
	What are your annual lease payments?	\$ -	

PART 5 - CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR

Please provide the entity's cash deposit and investment balances.		Amount	Total
5-1	Checking Accounts	\$ 3,114	
5-2	Savings Accounts	\$ -	
5-3	Certificates of Deposit	\$ -	
	Total Cash Deposits		\$ 3,114
	Investments (if investment is a mutual fund, please list underlying investments):		
5-4		\$ -	
5-5		\$ -	
5-6		\$ -	
5-7		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ 3,114
Please answer the following question by marking in the appropriate box		Yes	No
5-8	Are your deposits in an eligible (PDPA) public depository (Sec 11-10.5-101 et Seq, C.R.S.)? If no, please explain:	X	

PART 6 - OTHER INFORMATION

Please answer the following questions by marking in the appropriate boxes		Yes	No	
6-1	Do you have land, buildings, and/or equipment?		X	
If yes:	Complete the following table:			
		Balance - Beginning of the Year	Additions	
		Deletions	Balance - End of the Year	
	Land	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	
Other (explain):	\$ -	\$ -	\$ -	

Please answer the following questions by marking in the appropriate boxes		Yes	No	
6-2	Do you have an "old hire" firemen's pension plan?		X	
6-3	Do you have a volunteer firemen's pension plan?		X	
If yes:	Who administers the plan?			
	Indicate your contributions from:			
	Tax: (Property, SO, Sales, etc)			\$ -
	State Contribution Amount			\$ -
	Other: (Gifts, Donations, etc)			\$ -
	What is your monthly benefit paid for 20 years of service per retiree as of Jan 1st?	\$ -		

Please answer the following question by marking in the appropriate boxes		Yes	No	
6-4	Did you file a 2008 budget with the Department of Local Affairs? If no, please explain:	X		
If yes:	Please indicate the amount appropriated for each of your funds for 2008:			
	Fund Name			Budgeted 2008 Expenditures
	General Fund			\$ 48,870
				\$ -
		\$ -		

Please answer the following question by marking in the appropriate boxes		Yes	No
6-5	Are you in compliance with all the provisions of TABOR (Article X, Section 20) of the State Constitution? If no, please explain:	X	
	Note: An election to exempt your government from the spending limitations of TABOR does not exempt the government from the 3% emergency reserve requirement. All Governments should determine if they meet this requirement of TABOR.		

Please answer the following questions by marking in the appropriate boxes		Yes	No
6-6	Are you a newly formed governmental entity?	X	
6-7	Are you a metropolitan district?	X	
6-8	Please indicate what services you provide: Water, Irrigation, Sanitation, Drainage, Streets, Traffic & Safety Controls, Transportation, Parks and Recreation		
6-9	Do you have an agreement with another government entity to provide services?		X
If yes:	List the name of the other government entity and the services provided:		

PART 7 - GOVERNING BODY APPROVAL

We, the undersigned, certify that this Application for Exemption from Audit has been:
 Prepared consistent with Section 29-1-604, C.R.S., which states that an Application with revenues and expenditures of \$100,000 or less must be prepared by a person skilled in governmental accounting;
 Completed to the best of our knowledge and is accurate and true;
 Reviewed and approved by a majority of the governing body.

Note: Please list all current members of the governing body. In addition, original signatures must be provided for a majority of those listed.

	Name (please print or type all current members of the governing body)	Date Term Expires	Signature
1	Kirk A. Dando	May-12	<i>Kirk A. Dando</i>
2	James A. Martell	May-12	<i>James A. Martell</i>
3	Larry S. Buckendorff	May-10	
4			
5			
6			
7			