

**APPLICATION FOR EXEMPTION FROM AUDIT - LONG FORM - FOR GOVERNMENTS WITH REVENUES OR EXPENDITURES GREATER THAN \$100,000 BUT NOT MORE THAN \$500,000**

Name of Government:	Edwards Metropolitan District	For the Fiscal Year Ended December 31, 2010 or fiscal year ended:
Address:	28 Second Street, Suite 213 Edwards, CO 81632	
Contact Person:	Kenneth J Marchetti	
Telephone:	(970) 926-6060	
E-Mail:	Ken@rmpccpa.com	
Fax:	(970) 926-6040	

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 may qualify for an exemption. **If either revenues or expenditures are \$100,000 or greater, but not more than \$500,000, you may use this form. If both revenues and expenditures are less than \$100,000 individually, use the short form application for exemption from audit.**

**Please review ALL instructions prior to the completion of this form.**

Instructions: (See "Instructions" tab for additional information)

1. Prepare this form completely and accurately. Please note that there are eleven 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 an independent accountant (separate from the entity) with knowledge of governmental accounting.
4. The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
  - a. Resolution of the governing board - application may be e-mailed, faxed, or mailed.
  - b. Original signatures - application must be mailed. E-mail or fax will NOT be accepted.
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.

**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. Independent means someone who is separate from the entity.

Name:	Kenneth J Marchetti
Title:	Accountant/CPA
Firm Name (if applicable):	Robertson & Marchetti, P.C.
Address:	28 Second Street, Suite 213 Edwards, CO 81632
Telephone Number:	(970) 926-6060
Date Prepared:	

**Preparer Signature (Required):**



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 \$500,000. Independent means someone who is separate from the entity. Please describe what your relationship is with the entity.

**PART 1 - Financial Statements - Balance Sheet**

Ln #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General Fund*	Restricted Wtr Fund*		Fund*	Fund*
1-1	Assets			Assets		
1-2	Cash & Cash Equivalents	\$ 684,239	\$ 26,009	Cash & Cash Equivalents	\$ -	\$ -
1-3	Investments	\$ 1,518,533	\$ -	Investments	\$ -	\$ -
1-4	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -
1-5	Due from other Entities or Funds	\$ 698	\$ -	Due from other Entities or Funds	\$ -	\$ -
1-6	Other Assets - Property Tax Receivable	\$ 295,029	\$ -	Capital Assets, net (from Part 6-2)	\$ -	\$ -
1-7		\$ -	\$ -	Other Assets (specify)	\$ -	\$ -
1-8		\$ -	\$ -		\$ -	\$ -
1-9		\$ -	\$ -		\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	Total Assets (add lines 1-2 through 1-10)	\$ 2,498,499	\$ 26,009	Total Assets (add lines 1-2 through 1-10)	\$ -	\$ -
1-12	Liabilities and Fund Equity			Liabilities and Fund Equity		
1-13	Liabilities			Liabilities		
1-14	Accounts Payable	\$ 25,951	\$ -	Accounts Payable	\$ -	\$ -
1-15	Accrued Payroll and Related Liabilities	\$ 643	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-17	Due to other Entities or Funds	\$ -	\$ -	Due to other Entities or Funds	\$ -	\$ -
1-18	Other Liabilities - Deferred Property Tax	\$ 295,029	\$ -	Proprietary Debt Outstanding (from Part 4-1)	\$ -	\$ -
1-19	Deferred Revenue Other	\$ 11	\$ -	Other Liabilities (specify)	\$ -	\$ -
1-20		\$ -	\$ -		\$ -	\$ -
1-21		\$ -	\$ -		\$ -	\$ -
1-22		\$ -	\$ -		\$ -	\$ -
1-23		\$ -	\$ -		\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26	Total Liabilities (add lines 1-14 through 1-25)	\$ 321,634	\$ -	Total Liabilities (add lines 1-14 through 1-25)	\$ -	\$ -
1-27	Equity			Equity		
1-28				Investment in Capital Assets, Net of Debt	\$ -	\$ -
1-29	Fund Equity			Fund Equity		
1-30	Emergency Reserves	\$ 5,000	\$ -	Emergency Reserves	\$ -	\$ -
1-31	Other Designations/Reserves			Other Designations/Reserves	\$ -	\$ -
1-32	Restricted		\$ 26,009	Restricted	\$ -	\$ -
1-33	Undesignated/Unreserved/Unrestricted	\$ 2,171,865	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-34	Total Equity (add lines 1-30 through 1-33) This total should be the same as line 3-33.	\$ 2,176,865	\$ 26,009	Total Equity (add lines 1-28 through 1-33) This total should be the same as line 3-33.	\$ -	\$ -
1-35	Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11.	\$ 2,498,499	\$ 26,009	Total Liabilities and Equity (add lines 1-26 and 1-34) This total should be the same as line 1-11.	\$ -	\$ -

\*Indicate Name of Fund

Note: Attach additional sheets as necessary.

Please Check the box below to indicate the basis of accounting used to complete this form:

Accrual Basis

Cash Basis

Is this a change from last year?

Yes

No

**PART 2 - Financial Statements - Operating Statement - Revenue**

	Governmental Funds		Restricted Wtr Fund*	Proprietary/Fiduciary Funds		Total of All Funds
	General Fund*			Fund*	Fund*	
2-1 Revenues and Other Financing Sources						
2-2 Taxes						
2-3 Property	\$ 294,426	\$ -				\$ -
2-4 Specific Ownership	\$ 9,786	\$ -				\$ -
2-5 Sales and Use Tax	\$ -	\$ -				\$ -
2-6 Other (specify)	\$ -	\$ -				\$ -
2-7	\$ -	\$ -				\$ -
2-8	\$ -	\$ -				\$ -
2-9	\$ -	\$ -				\$ -
2-10 Licenses and Permits	\$ -	\$ -				\$ -
2-11 Intergovernmental						
2-12 Highway User Tax Funds (HUTF)	\$ -	\$ -				\$ -
2-13 Conservation Trust Funds (Lottery)	\$ -	\$ -				\$ -
2-14 Community Development Block Grant	\$ -	\$ -				\$ -
2-15 Fire & Police Pension	\$ -	\$ -				\$ -
2-16 Grants	\$ -	\$ -				\$ -
2-17 Donations	\$ -	\$ -				\$ -
2-18 Other - Holy Cross Refunds	\$ 129	\$ -				\$ -
2-19 CVC Note Prin & Interest	\$ 59,989	\$ -				\$ -
2-20 Charges for Sales and Services	\$ 10,538	\$ -				\$ -
2-21 Rental Income	\$ -	\$ -				\$ -
2-22 Fines and Forfeits	\$ -	\$ -				\$ -
2-23 Interest/Investment Income	\$ 39,223	\$ 340				\$ -
2-24 Tap Fees	\$ -	\$ 25,669				\$ -
2-25 Deferred Tap Fee	\$ 2,313	\$ -				\$ -
2-26 Total Revenues (Add lines 2-3 through 2-25)	\$ 416,404	\$ 26,009				\$ -
2-27 Other Financing Sources						
2-28 Debt Proceeds	\$ -	\$ -				\$ -
2-29 Proceeds from Sale of Capital Assets	\$ -	\$ -				\$ -
2-30 Other (specify)	\$ -	\$ -				\$ -
2-31 Total Other Financing Sources (Add lines 2-28 through 2-30)	\$ -	\$ -				\$ -
2-32 Total Revenues and Other Financing Sources (Add lines 2-26 and 2-31)	\$ 416,404	\$ 26,009				\$ -

Note: If Total Revenues and Other Financing Sources - Total of All Funds (Line 2-32) are greater than \$600,000 - STOP, you may not use this form. An audit may be required. See Section 29-1604 C.R.S., or contact us at (303) 866-3338 for assistance.

**PART 3 - Financial Statements - Operating Statement - Expenditures**

	Governmental Funds		Proprietary/Fiduciary Funds	Total of All Funds
	General Fund*	Restricted Wtr Fund*		
<b>3-1 Expenditures</b>				
3-2 General Government	\$ 100,176	\$ -	\$ -	\$ -
3-3 Judicial	\$ -	\$ -	\$ -	\$ -
3-4 Public Safety	\$ -	\$ -	\$ -	\$ -
3-5 Law Enforcement	\$ -	\$ -	\$ -	\$ -
3-6 Fire	\$ -	\$ -	\$ -	\$ -
3-7 Other - Civic Improvements/Trail Maint	\$ 10,000	\$ -	\$ -	\$ -
3-8 Public Works	\$ -	\$ -	\$ -	\$ -
3-9 Highways & Streets	\$ -	\$ -	\$ -	\$ -
3-10 Solid Waste	\$ -	\$ -	\$ -	\$ -
3-11 Other (specify)	\$ -	\$ -	\$ -	\$ -
3-12 Health	\$ -	\$ -	\$ -	\$ -
3-13 Culture and Recreation	\$ -	\$ -	\$ -	\$ -
3-14 Contributions to FPPA	\$ -	\$ -	\$ -	\$ -
3-15 Capital Outlay	\$ -	\$ -	\$ -	\$ -
3-16 Debt Service	\$ -	\$ -	\$ -	\$ -
3-17 Principal	\$ 110,000	\$ -	\$ -	\$ -
3-18 Interest	\$ 93	\$ -	\$ -	\$ -
3-19 Bond Issuance Costs	\$ -	\$ -	\$ -	\$ -
3-20 Other - Spur Rd Landscape Roundabouts	\$ 6,765	\$ -	\$ -	\$ -
3-21 Eagle River Restoration	\$ 15,000	\$ -	\$ -	\$ -
3-22	\$ -	\$ -	\$ -	\$ -
3-23 Total Expenditures (Add lines 3-2 through 3-22)	\$ 241,034	\$ -	\$ -	\$ 241,034
3-24 Net Interfund Transfers In (Out)	\$ -	\$ -	\$ -	\$ -
3-25	\$ -	\$ -	\$ -	\$ -
3-26	\$ -	\$ -	\$ -	\$ -
3-27	\$ -	\$ -	\$ -	\$ -
3-28	\$ -	\$ -	\$ -	\$ -
3-29	\$ -	\$ -	\$ -	\$ -
3-30	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 2-32, less line 3-23, plus lines 3-24 through 3-30)	\$ 175,370	\$ 26,009	\$ -	\$ -
Fund Equity, January 1 from December 31 prior year report	\$ 2,001,495	\$ -	\$ -	\$ -
Fund Equity, December 31 (Line 3-31 plus line 3-32) This total should be the same as line 1-34.	\$ 2,176,865	\$ 26,009	\$ -	\$ -

Note: If Total Expenditures - Total of All Funds (Line 3-23) are greater than \$500,000 - STOP - you may not use this form. An audit may be required. See Section 29-1-604 C.R.S., or contact us at (303) 866-3338 for assistance.

### PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED

Please answer the following questions by marking in the appropriate boxes				Yes	No
<b>4-1</b>	Does the entity have debt?				X
If yes:	Is the debt repayment schedule attached? If no, please explain:				
	Please complete the following debt schedule, if applicable	Outstanding at beginning of fiscal year	Total issued during fiscal year (add)	Total retired during fiscal year (less)	Total outstanding at fiscal year end
	General Obligation Bonds	\$ 110,000	\$ -	\$ 110,000	\$ -
	Revenue Bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ 110,000</b>	<b>\$ -</b>	<b>\$ 110,000</b>	<b>\$ -</b>
	Please answer the following questions by marking in the appropriate boxes			Yes	No
<b>4-2</b>	Does the entity have authorized, but unissued debt?				X
If yes:	How much?	\$ -			
	Date debt was authorized:				
<b>4-3</b>	Does the entity intend to issue debt within the next calendar year (2011)?				X
If yes:	How much?	\$ -			
	Please answer the following questions by marking in the appropriate boxes			Yes	No
<b>4-4</b>	Does the entity have debt that has been refinanced that it is still responsible for?				X
If yes:	What is the amount outstanding?	\$ -			
	Please answer the following questions by marking in the appropriate boxes			Yes	No
<b>4-5</b>	Does the entity have any lease agreements?				X
If yes:	What is being leased?				
	What is the original date of the lease?				
	Number of years of lease?				
	Is the lease subject to annual appropriation?				
	What are the annual lease payments?	\$ -			

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

Please provide the entity's cash deposit and investment balances		Amount	Total
<b>5-1</b>	Checking Accounts	\$ 615	
<b>5-2</b>	Savings Accounts	\$ 709,633	
<b>5-3</b>	Certificates of Deposit	\$ 1,518,533	
	<b>Total Cash Deposits</b>		<b>\$ 2,228,781</b>
	Investments (if investment is a mutual fund, please list underlying investments):		
<b>5-4</b>		\$ -	
<b>5-5</b>		\$ -	
<b>5-6</b>		\$ -	
<b>5-7</b>		\$ -	
	<b>Total Investments</b>		<b>\$ -</b>
	<b>Total Cash and investments</b>		<b>\$ 2,228,781</b>
	Please answer the following question by marking in the appropriate box		Yes
<b>5-8</b>	Are the entity's deposits in an eligible (PDPA) public depository? (Section 11-10.5-101 et. seq., C.R.S.) If no, please explain:		X
			No

**PART 6 - CAPITAL ASSETS**

		Beginning of the Year	Additions	Deletions	End of Year Balance
<b>6-1</b>	<b>For Governmental Funds</b>				
	Land	\$ 501,875	\$ -	\$ -	\$ 501,875
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
	Other - Water Rights	\$ 207,781	\$ -	\$ -	\$ 207,781
	<b>Total for Governmental Funds</b>	\$ 709,656	\$ -	\$ -	\$ 709,656

		Beginning of the Year	Additions	Deletions	End of Year Balance
<b>6-2</b>	<b>For Proprietary Funds</b>				
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -	\$ -
	<b>Total for Proprietary Funds</b>	\$ -	\$ -	\$ -	\$ -

Please answer the following question by marking in the appropriate box		Yes	No
<b>6-3</b>	Has the entity performed an annual inventory of property and equipment (capital assets) in accordance with Section 29-1-506 C.R.S.,? If no, please explain:	X	

**PART 7 - PENSION INFORMATION**

Please answer the following questions by marking in the appropriate boxes		Yes	No	
<b>7-1</b>	Does the entity have an "old hire" fire pension plan?		X	
<b>7-2</b>	Does the entity have a volunteer firemen's pension plan?		X	
If yes:	Who administers the plan?			
	Indicate the contributions from:			
	Tax: (Property, SO, Sales, etc)			\$ -
	State Contribution Amount:			\$ -
	Other: (Gifts, Donations, etc)			\$ -
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1st?	\$ -		

**PART 8 - BUDGET INFORMATION**

Please answer the following questions by marking in the appropriate boxes		Yes	No	
<b>8-1</b>	Did the entity file a 2010 budget with the Department of Local Affairs? If no, please explain:	X		
If yes:	Please indicate the amount appropriated for each fund for 2010:			
	<b>Fund Name</b>			<b>Budgeted 2010 Expenditures</b>
	General Fund			\$ 598,613
				\$ -
				\$ -

### PART 9 - TABOR

Please answer the following question by marking in the appropriate box		Yes	No
<b>9-1</b>	Is the entity in compliance with all the provisions of TABOR? [State Constitution Article X, Section 20 (5)]? If no, please explain:	X	
<b>Note: An election to exempt the 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.</b>			

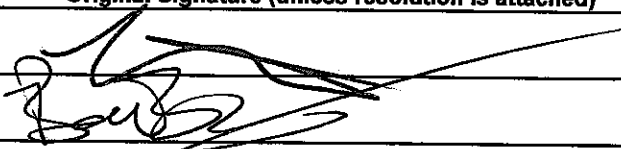
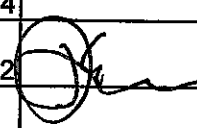
### PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes		Yes	No
<b>10-1</b>	Is this entity a newly formed governmental entity?		X
If yes:	Date of formation:		
<b>10-2</b>	Is this a metropolitan district?	X	
<b>10-3</b>	Please indicate what services are provided: Domestic water, fire protection, roads, drainage, traffic signalization, transportation, and mosquito control.		
<b>10-4</b>	Does the entity 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: Upper Eagle Regional Water Authority-water. Eagle County-snowplowing.		
<b>10-5</b>	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the year? (Applicable to Title 32 Special Districts only, pursuant to Section 32-1-103 (9.3); 32-1-104 (3), C.R.S.)	Yes	No - N/A
If yes:	Date Filed:		X

### PART 11 - 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 at least \$100,000 but not more than \$500,000 must be prepared by an independent accountant with knowledge of governmental accounting.  
 Completed to the best of our knowledge and is **accurate and true**.  
 Personally reviewed and approved by a **majority** of the governing body.

**Note: Please list all current members of the governing body. Original signatures must be provided for a majority of the governing body or a resolution may be provided in lieu of original signatures. (Please sign using blue ink.)**

	Name (print names of all current members of the governing body)	Date Term Expires	Original Signature (unless resolution is attached)
1	Todd Williams	May-14	
2	Rebecca Bultemeier	May-12	
3	William Simmons	May-12	
4	Terry Benedickt	May-14	
5	Tracy Erickson	May-12	
6			
7			