



**PINNACLE**  
CONSULTING GROUP, INC.

March 20, 2014

Office of the State Auditor  
Local Government Audit Division  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Sir or Madam:

Enclosed please find the original Applications for Exemption from Audit for Loveland Midtown Metropolitan District for the year ended December 31, 2013.

Please advise of your acceptance and please do not hesitate to call if you have any questions. I can be reached at (970) 669-3611.

Sincerely,

Amanda Castle  
Accounting Manager

Cc: City of Loveland (per C.R.S. 29-1-606)

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

Name of Government:	Loveland Midtown Metropolitan District	For the Fiscal Year
Address:	c/o Pinnacle Consulting Group, Inc. 1627 East 18th Street Loveland, CO 80538	
Contact Person:	Brendan Campbell, CPA	Ended December 31, 2013
Telephone:	(970)669-3611	
Email:	brendanc@pinnacleconsultinggroupinc.com	
Fax:	(970)669-3612	

Return to: Office of the State Auditor  
 Local Government Audit Division  
 1525 Sherman St., 7th Floor  
 Denver, CO 80203  
 Fax: 303-866-4062  
 Email: OSA.LG@state.co.us  
 Call (303) 869-3000 if you need help completing this form.

**PLEASE READ THE ABOVE INSTRUCTIONS BEFORE SUBMITTING THE COMPLETED APPLICATION**

Section 29-1-604, C.R.S., outlines the provisions for an exemption from audit. Generally, any local government for which neither revenue 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)
- Prepare this form completely and accurately. Please note that there are 11 parts to this form and all questions must be answered for the application to be considered complete.
    - Please use whole dollars. Do not include any cents. Please round consistently to ensure that the financial information balances between schedules.
  - 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.
  - The form must be completed by an independent accountant (separate from the entity) with knowledge of governmental accounting.
  - The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
    - Resolution of the governing body - application may be emailed, faxed, or mailed.
    - Original signatures - application must be mailed. Email or fax will NOT be accepted.
  - The preparer must sign the application that is submitted in order for it to be accepted.
  - 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:	Brendan Campbell, CPA
Title:	District Accountant
Firm Name (if applicable):	Pinnacle Consulting Group, Inc.
Address:	1627 East 18th Street
Telephone Number:	(970)669-3611
Date Prepared:	2/18/2014

**Preparer Signature (Required): The application will be rejected if not signed by the preparer.**



Relationship to entity: **Accountant**

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 above what your relationship is with the entity.

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

Ln #	Description	Governmental Funds		Debt Service Fund*	Proprietary/Fiduciary Funds		Totals
		General Fund*			Fund*	Fund*	
1-1	Assets						
1-2	Cash & Cash Equivalents	\$ 1,461	\$ -	\$ -	\$ -	\$ -	
1-3	Investments	\$ 20,284	\$ 3,179	\$ -	\$ -	\$ -	
1-4	Receivables	\$ -	\$ -	\$ -	\$ -	\$ -	
1-5	Due from Other Entities or Funds	\$ 459	\$ 247	\$ -	\$ -	\$ -	
1-6	Other Assets (specify)	\$ -	\$ -	\$ -	\$ -	\$ -	
1-7	Property Tax Receivable	\$ 86,140	\$ 51,684	\$ -	\$ -	\$ -	Total Current Assets
1-8	Prepaid Expense	\$ 2,707	\$ -	\$ -	\$ -	\$ -	\$ -
1-9		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-10		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-11		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-12		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-13	Total Assets (add lines 1-2 through 1-12)	\$ 111,050	\$ 55,110	\$ -	\$ -	\$ -	\$ 166,160
1-14	Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-15	Total Assets and Deferred Outflows	\$ 111,050	\$ 55,110	\$ -	\$ -	\$ -	\$ -
	Liabilities and Fund Balance						
	Liabilities						
1-16	Accounts Payable	\$ 2,360	\$ -	\$ -	\$ -	\$ -	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-18	Accrued Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-20	Other Liabilities (specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-21	Deferred Property Taxes	\$ 86,140	\$ 51,684	\$ -	\$ -	\$ -	\$ -
1-22		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-23		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-24		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-25		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-26		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-27		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-28		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-29		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-30	Total Liabilities (add lines 1-16 through 1-29)	\$ 88,500	\$ 51,684	\$ -	\$ -	\$ -	\$ 140,184
1-31	Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Fund Balance						
	Nonspendable :						
1-32	Prepaid Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-33		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-34	Restricted:	\$ 2,337	\$ 3,426	\$ -	\$ -	\$ -	\$ -
	Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-35	Committed: (specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-36	Assigned: (specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	(specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-37	Unassigned:	\$ 20,213	\$ -	\$ -	\$ -	\$ -	\$ -
	Undesignated/Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1-38	Total Fund Balance (add lines 1-32 through 1-37) This total should be the same as line 3-33.	\$ 22,550.00	\$ 3,426.00	\$ -	\$ -	\$ -	\$ 25,976
1-39	Total Liabilities, Deferred Inflows, and Fund Balance (add lines 1-30, 1-31 and 1-38) This total should be the same as line 1-15	\$ 111,050	\$ 55,110	\$ -	\$ -	\$ -	\$ -

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

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

	Governmental Funds		Proprietary/Fiduciary Funds		Total of All Funds
	General Fund*	Debt Service Fund*	Fund*	Fund*	
2-1 Revenues and Other Financing Sources					
2-2 Taxes					
2-3 Property	\$ 78,004	\$ 41,976	\$ -	\$ -	\$ 120,980
2-4 Specific Ownership	\$ 5,790	\$ 3,097	\$ -	\$ -	\$ 8,887
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 Users 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 Charges for Sales and Services	\$ -	\$ -	\$ -	\$ -	\$ -
2-19 Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -
2-20 Fines and Forfeits	\$ -	\$ -	\$ -	\$ -	\$ -
2-21 Interest/Investment Income	\$ 67	\$ -	\$ -	\$ -	\$ 67
2-22 Tap Fees	\$ -	\$ -	\$ -	\$ -	\$ -
2-23 Developer Advances	\$ -	\$ -	\$ -	\$ -	\$ -
2-24 Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
2-25	\$ -	\$ -	\$ -	\$ -	\$ -
2-26 Total Revenues (Add lines 2-3 through 2-25)	\$ 83,861	\$ 45,073	\$ -	\$ -	\$ 128,934
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)	\$ 83,861	\$ 45,073	\$ -	\$ -	\$ 128,934

Note: If Total Revenues and Other Financing Sources - Total of All Funds (Line 2-32) 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

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

	Governmental Funds		Proprietary/Fiduciary Funds	Total of All Funds
	General Fund*	Debt Service Fund*		
<b>Expenditures</b>				
3-1 General Government	\$ 77,928			
3-2 Judicial				
3-3 Public Safety				
3-4 Law Enforcement				
3-5 Fire				
3-6 Other (specify)				
3-7 Public Works				
3-8 Highways & Streets				
3-9 Solid Waste				
3-10 Other (specify)				
3-11 Contributions to Fire & Police Pension Assoc.				
3-12 Health				
3-13 Culture and Recreation				
3-14 Capital Outlay				
3-15 Debt Service				
3-16 Principal (matches part 4)				
3-17 Interest	\$ 43,994			
3-18 Bond Issuance Costs				
3-19 Developer Repayments (matches part 4)				
3-20 Other (specify)				
3-21 Treasurer's Fees	\$ 841			
3-22 Total Expenditures (Add lines 3-2 through 3-22)	\$ 77,928	\$ 44,835		\$ 122,763
3-23 Net Interfund Transfers In (Out)				
3-24 Other (specify):				
3-25 Depreciation				
3-26 Other Financing Sources (from line 2-31)				
3-27 Capital Outlay (from line 3-15)				
3-28 Debt Principal (from line 3-17)				
3-29 Total Reconciling Items (Line 3-28, plus line 3-29, less line 3-26, less line 3-27)				
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)	\$ 5,933	\$ 238		\$
3-31 Fund Equity, January 1 from December 31 prior year report	\$ 16,617	\$ 3,188		\$
3-32 Fund Equity, December 31 (Line 3-31 plus line 3-32) This total should be the same as line 1-39.	\$ 22,550	\$ 3,426		\$ 25,976

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 the appropriate boxes. Please use this space to provide any explanations or comments:

	Yes	No	
4-1 Does the entity have outstanding debt? Is the debt repayment schedule attached? If no, please explain: Outstanding debt will be repaid when funds are available.	X	X	
4-2 Is the entity current in its debt service payments? If no, please explain:	X		
4-3 Please complete the following debt schedule, if applicable: (please only include principal amounts)		Outstanding at fiscal year-end	
General obligation bonds	Retired during fiscal year	Issued during fiscal year	Outstanding at end of prior year
Revenue bonds			\$ 1,350,000
Notes/Loans			\$ -
Leases			\$ -
Developer Advances			\$ 534,365
Other (specify):			\$ -
Total:			\$ 1,884,365

Please answer the following questions by marking the appropriate boxes.

4-4 Does the entity have any authorized, but unissued, debt?	Yes	No
If yes: How much? \$	X	
Date the debt was authorized:		
Does the entity intend to issue debt within the next calendar year?		X
If yes: How much? \$		

Please answer the following questions by marking the appropriate boxes.

4-6 Does the entity have debt that has been refinanced that it is still responsible for?	Yes	No
If yes: What is the amount outstanding? \$		X
4-7 Does the entity have any lease agreements?	Yes	No
If yes: What is being leased?		X
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**

Please provide the entity's cash deposit and investment balances. Please use this space to provide any explanations or comments:

	Amount	Total
5-1 Checking accounts	\$ 1,461	
5-2 Savings accounts	\$ -	
5-3 Certificates of deposit	\$ -	
Total Cash Deposits		\$ 1,461
Investments (if investment is a mutual fund, please list underlying investments):		
5-4	\$ 23,462	
5-5	\$ -	
5-6	\$ -	
5-7	\$ -	
Total Investments		\$ 23,462
Total Cash and Investments		\$ 24,923

Please answer the following question by marking in the appropriate box

5-8 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, please explain:	Yes	No
	X	

**PART 6 - CAPITAL ASSETS**

Please answer the following questions by marking in the appropriate boxes.		Yes	No	Please use this space to provide any explanations or comments:	
		X			
6-1	Does the entity have capital assets?	X			
If yes: Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, please explain:					
/					
6-2	Complete the following table for GOVERNMENTAL FUNDS:				
		Balance - beginning of the year	Additions	Deletions	Year-End Balance
	Land	\$ 442,946	\$ -	\$ -	442,946
	Buildings	\$ -	\$ -	\$ -	-
	Machinery and equipment	\$ -	\$ -	\$ -	-
	Furniture and fixtures	\$ -	\$ -	\$ -	-
	Infrastructure	\$ 816,424	\$ -	\$ -	816,424
	Construction in Progress (CIP)	\$ -	\$ -	\$ -	-
	Other (explain):	\$ -	\$ -	\$ -	-
	Accumulated Depreciation	\$ (268,447)	\$ (42,105)	\$ -	(310,552)
	Total	\$ 990,923	\$ (42,105)	\$ -	948,818
6-3	Complete the following 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	\$ -	\$ -	\$ -	-
	Total	\$ -	\$ -	\$ -	-

**PART 7 - PENSION INFORMATION**

Please answer the following questions by marking in the appropriate boxes.		Yes	No	Please use this space to provide any explanations or comments:
		X	X	
7-1	Does the entity have an "old hire" firemen's pension plan?	X		
7-2	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.):	\$ -		
	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 questions by marking in the appropriate boxes.		Yes	No	Please use this space to provide any explanations or comments:
8-1	Did the entity file a 2013 budget with the Department of Local Affairs? If no, please explain:	X		
8-2	Did the entity pass an appropriations resolution? In no, please explain:	X		
Please indicate the amount appropriated for each fund for 2013:				
	<b>Fund Name</b>	<b>Budgeted 2013 Expenditures</b>		
	General	\$	89,059	
	Debt Service	\$	44,835	
		\$	-	

**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)]?  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.	X		

**PART 10 - GENERAL INFORMATION**

Please answer the following questions by marking in the appropriate boxes.		Yes	No	Please use this space to provide any explanations or comments:
10-1	Is this application for a newly formed governmental entity?		X	
Date of formation:				
10-2	Has the entity changed its name in the past or current year?		X	
If Yes: Please list the NEW name & PRIOR name:				
10-3	Is the entity a metropolitan district?	X		
10-4	Please indicate what services the entity provides:			
10-5	Does the entity have an agreement with another government to provide services?		X	
If Yes: List the name of the other governmental entity and the services provided:				
10-6	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.]		X	
Date Filed:				



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

## PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board 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 \$500,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.





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

Print the names of all current governing board members below.

	Print Board Members Name	I, _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Date:
Board Member 1	Blaine Rappe	Signed:  My term Expires: 05/2016	3/23/14
Board Member 2	Nathan Klein	Signed:  My term Expires: 05/2014	3/23/14
Board Member 3	Randy Vinding	Signed: _____ My term Expires: 05/2016	Date: _____
Board Member 4	Eric Holsapple	Signed: _____ My term Expires: 05/2016	Date: _____
Board Member 5	Michael McNulty	Signed: _____ My term Expires: 05/2014	Date: _____
Board Member 6	_____	Signed: _____ My term Expires: _____	Date: _____
Board Member 7	_____	Signed: _____ My term Expires: _____	Date: _____

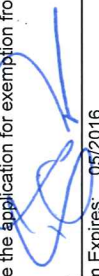

## PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board 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 \$500,000 or less must have an application prepared by a person skilled in governmental accounting, completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.	
Board Member	Print Board Members Name	Signed	Date:
1	Blaine Rappe		3/24/14
2	Nathan Klein		3/23/14
3	Randy Vinding		3/24/14
4	Eric Holsapple		_____
5	Michael McNulty	_____	_____
6	_____	_____	_____
7	_____	_____	_____

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Print the names of all current governing board members below.		A MAJORITY of the governing board members must complete and sign in the column below.	
Board Member	Print Board Members Name	I, _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Date: _____
Board Member 1	Blaine Rappe	Signed:  My term Expires: 05/2016	Date: 5/23/14
Board Member 2	Nathan Klein	Signed:  My term Expires: 05/2014	Date: 3/23/14
Board Member 3	Randy Vinding	Signed: _____ My term Expires: 05/2016	Date: _____
Board Member 4	Eric Holsapple	Signed: _____ My term Expires: 05/2016	Date: _____
Board Member 5	Michael McNulty	Signed: _____ My term Expires: 05/2014	Date: _____
Board Member 6	_____	Signed: _____ My term Expires: _____	Date: _____
Board Member 7	_____	Signed: _____ My term Expires: _____	Date: _____