

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: | Crowfoot Valley Ranch Metropolitan District No. 1 | For the Fiscal Year Ended December 31, 2007 or fiscal year ended: |
| Address: | 8390 E. Crescent Parkway Suite 600 Greenwood Village, CO 80111 | |
| Contact Person: | William A. Petri | |
| Telephone: | 303-779-5710 | |
| E-Mail: | bill.petri@cliftoncpa.com | |
| Fax: | 720-482-6668 | |

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 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.**

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.
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 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.

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.

| | |
|---|--------------------------------|
| Name: William A. Petri, CPA | Title: District Accountant |
| Firm Name: Clifton Gunderson LLP | |
| Firm Address: 8390 E. Crescent Parkway, Ste 600, Greenwood Village CO 80111 | |
| Date Prepared: 1-31-08 | Telephone Number: 303-779-5710 |

Signature: See Accountant's Compilation Report

The Audit Law requires that a person independent** of the entity complete the Application if revenues or expenditures are at least \$100,000 but not more than \$500,000. Please describe what your relationship is with the entity.

CPA firm for the District

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

PART 1 - Financial Statements - Balance Sheet

| Ln # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | |
|------|---|--------------------|--------------------|---|-----------------------------|-------|
| | | General Fund* | Debt Service Fund* | | Fund* | Fund* |
| 1 | Assets | | | Assets | | |
| 2 | Cash & Cash Equivalents | \$ 1,624 | \$ 5,328 | Cash & Cash Equivalents | \$ - | \$ - |
| 3 | Investments | \$ - | \$ - | Investments | \$ - | \$ - |
| 4 | Receivables | \$ 4 | \$ 22 | Receivables | \$ - | \$ - |
| 5 | Due from other Entities or Funds | \$ - | \$ - | Due from other Entities or Funds | \$ - | \$ - |
| 6 | Other Assets (specify) | \$ - | \$ - | Capital Assets, net (from Part 5) | \$ - | \$ - |
| 7 | | \$ - | \$ - | Other Assets (specify) | \$ - | \$ - |
| 8 | | \$ - | \$ - | | \$ - | \$ - |
| 9 | | \$ - | \$ - | | \$ - | \$ - |
| 10 | Total Assets (add lines 2 through 9) | \$ 1,628 | \$ 5,350 | Total Assets (add lines 2 through 9) | \$ - | \$ - |
| 11 | | | | | | |
| 12 | Liabilities and Fund Equity | | | Liabilities and Fund Equity | | |
| 13 | Liabilities | | | Liabilities | | |
| 14 | Accounts Payable | \$ 7,379 | \$ - | Accounts Payable | \$ - | \$ - |
| 15 | Accrued Payroll and Related Liabilities | \$ - | \$ - | Accrued Payroll and Related Liabilities | \$ - | \$ - |
| 16 | Accrued Interest Payable | \$ - | \$ - | Accrued Interest Payable | \$ - | \$ - |
| 17 | Due to other Entities or Funds | \$ - | \$ 5,350 | Due to other Entities or Funds | \$ - | \$ - |
| 18 | | | | Proprietary Debt Outstanding (from Part 3) | \$ - | \$ - |
| 19 | Other Liabilities (specify) | \$ - | \$ - | Other Liabilities (specify) | \$ - | \$ - |
| 20 | | \$ - | \$ - | | \$ - | \$ - |
| 21 | | \$ - | \$ - | | \$ - | \$ - |
| 22 | | \$ - | \$ - | | \$ - | \$ - |
| 23 | | \$ - | \$ - | | \$ - | \$ - |
| 24 | | \$ - | \$ - | | \$ - | \$ - |
| 25 | | \$ - | \$ - | | \$ - | \$ - |
| 26 | Total Liabilities (add lines 14 through 25) | \$ 7,379 | \$ 5,350 | Total Liabilities (add lines 14 through 25) | \$ - | \$ - |
| 27 | Equity | | | Equity | | |
| 28 | | | | Investment in Capital Assets, Net of Debt | \$ - | \$ - |
| 29 | Fund Equity | | | Fund Equity | | |
| 30 | Emergency Reserves | \$ - | \$ - | Emergency Reserves | \$ - | \$ - |
| 31 | Other Designations/Reserves | \$ - | \$ - | Other Designations/Reserves | \$ - | \$ - |
| 32 | Restricted | \$ - | \$ - | Restricted | \$ - | \$ - |
| 33 | Undesignated/Unreserved/Unrestricted | \$ (5,751) | \$ - | Undesignated/Unreserved/Unrestricted | \$ - | \$ - |
| 34 | Total Equity (add lines 30 through 33 - this total should be the same as line 101 on page 4) | \$ (5,751) | \$ - | Total Equity (add lines 28 through 33 - this total should be the same as line 101 on page 4) | \$ - | \$ - |
| 35 | Total Liabilities and Equity (add lines 26 and 34- this total should be the same as line 10) | \$ 1,628 | \$ 5,350 | Total Liabilities and Equity (add lines 26 and 34- this total should be the same as line 10) | \$ - | \$ - |

*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 2a - Financial Statements - Operating Statement - Revenue

| | Governmental Funds | | | Proprietary/Fiduciary Funds | | Total of All Funds |
|----|---|--------------------|------|---|-------|--------------------|
| | General Fund* | Debt Service Fund* | | Fund* | Fund* | |
| 36 | Revenues and Other Financing Sources | | | Revenues and Other Financing Sources | | |
| 37 | Taxes | | | Taxes | | |
| 38 | Property | \$ - | \$ - | Property | \$ - | \$ - |
| 39 | Specific Ownership | \$ - | \$ - | Specific Ownership | \$ - | \$ - |
| 40 | Sales and Use Tax | \$ - | \$ - | Sales and Use Tax | \$ - | \$ - |
| 41 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - |
| 42 | | \$ - | \$ - | | \$ - | \$ - |
| 43 | | \$ - | \$ - | | \$ - | \$ - |
| 44 | | \$ - | \$ - | | \$ - | \$ - |
| 45 | Licenses and Permits | \$ - | \$ - | Licenses and Permits | \$ - | \$ - |
| 46 | Intergovernmental | | | Intergovernmental | | |
| 47 | Highway User Tax | \$ - | \$ - | Highway User Tax | \$ - | \$ - |
| 48 | Mineral Leasing | \$ - | \$ - | Mineral Leasing | \$ - | \$ - |
| 49 | Conservation Trust Fund (Lottery funds) | \$ - | \$ - | Conservation Trust Fund (Lottery funds) | \$ - | \$ - |
| 50 | Community Development Block Grant | \$ - | \$ - | Community Development Block Grant | \$ - | \$ - |
| 51 | Fire & Police Pension | \$ - | \$ - | Fire & Police Pension | \$ - | \$ - |
| 52 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - |
| 53 | Transfer from District No. 2 | \$ 1,002 | \$ - | | \$ - | \$ - |
| 54 | | \$ - | \$ - | | \$ - | \$ - |
| 55 | Charges for Sales and Services | \$ - | \$ - | Charges for Sales and Services | \$ - | \$ - |
| 56 | Rental Income | \$ - | \$ - | Rental Income | \$ - | \$ - |
| 57 | Fines and Forfeits | \$ - | \$ - | Fines and Forfeits | \$ - | \$ - |
| 58 | Interest/Investment Income | \$ 369 | \$ - | Interest/Investment Income | \$ - | \$ - |
| 59 | Tap fees | \$ - | \$ - | Tap fees | \$ - | \$ - |
| 60 | | \$ - | \$ - | Total Revenues (Add lines 38 through 59) | \$ - | \$ - |
| 61 | | \$ - | \$ - | | | |
| 62 | Other Financing Sources | | | Other Financing Sources | | |
| 63 | Debt Proceeds | \$ - | \$ - | Debt Proceeds | \$ - | \$ - |
| 64 | Proceeds from Sale of Capital Assets | \$ - | \$ - | Proceeds from Sale of Capital Assets | \$ - | \$ - |
| 65 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - |
| 66 | Developer Advance | \$ 72,408 | \$ - | Total Other Financing Sources (Add lines 63 through 65) | \$ - | \$ - |
| 67 | | | | | | |
| 68 | Total Revenues and Other Financing Sources (Add lines 38 through 66) | \$ 73,779 | \$ - | Total Revenues and Other Financing Sources (Add lines 60 and 66) | \$ - | \$ - |
| | | | | | | \$ 73,779 |

PART 2b - Financial Statements - Operating Statement - Expenditures

| | | Governmental Funds | | Proprietary/Fiduciary Funds | | Total of All Funds |
|-----|---|--------------------|--------------------|--|-----------|--------------------|
| | | General Fund* | Debt Service Fund* | Fund* | Fund* | |
| 69 | Expenditures | | | Expenditures | | |
| 70 | General Government | \$ 79,530 | \$ - | General Operating & Administrative | \$ - \$ - | |
| 71 | Judicial | \$ - | \$ - | Salaries | \$ - \$ - | |
| 72 | Public Safety | | | Payroll Taxes | \$ - \$ - | |
| 73 | Law Enforcement | \$ - | \$ - | Contract Services | \$ - \$ - | |
| 74 | Fire | \$ - | \$ - | Employee Benefits | \$ - \$ - | |
| 75 | Other (specify) | \$ - | \$ - | Insurance | \$ - \$ - | |
| 76 | Public Works | | | Accounting and Legal fees | \$ - \$ - | |
| 77 | Highways & Streets | \$ - | \$ - | Repair and Maintenance | \$ - \$ - | |
| 78 | Solid Waste | \$ - | \$ - | Supplies | \$ - \$ - | |
| 79 | Other (specify) | \$ - | \$ - | Utilities | \$ - \$ - | |
| 80 | Health | \$ - | \$ - | Other (specify) | \$ - \$ - | |
| 81 | Culture and Recreation | \$ - | \$ - | | \$ - \$ - | |
| 82 | Other (specify) | \$ - | \$ - | | \$ - \$ - | |
| 83 | Capital Outlay | \$ - | \$ - | Capital Outlay | \$ - \$ - | |
| 84 | Debt Service | | | Debt Service | | |
| 85 | Principal | \$ - | \$ - | Principal | \$ - \$ - | |
| 86 | Interest | \$ - | \$ - | Interest | \$ - \$ - | |
| 87 | Bond Issuance Costs | \$ - | \$ - | Bond Issuance Costs | \$ - \$ - | |
| 88 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - \$ - | |
| 89 | | \$ - | \$ - | | \$ - \$ - | |
| 90 | | \$ - | \$ - | | \$ - \$ - | |
| 91 | Total Expenditures (Add lines 70 through 90) | \$ 79,530 | \$ - | Total Expenditures (Add lines 70 through 90) | \$ - \$ - | \$ 79,530 |
| 92 | Net Interfund Transfers In (Out) | \$ - | \$ - | Net Interfund Transfers In (Out) | \$ - \$ - | |
| 93 | | \$ - | \$ - | Accrual Basis Reconciling Items | | |
| 94 | | \$ - | \$ - | Other Financing Sources Total (from line 66) | \$ - \$ - | |
| 95 | | \$ - | \$ - | Depreciation | \$ - \$ - | |
| 96 | | \$ - | \$ - | Capital Outlay (from line 83) | \$ - \$ - | |
| 97 | | \$ - | \$ - | Debt Principal (from line 85) | \$ - \$ - | |
| 98 | | \$ - | \$ - | Total Reconciling Items (Line 96, plus 97, less line 94, less line 95) | \$ - \$ - | |
| 99 | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 68, plus line 92, less line 91) | \$ (5,751) | \$ - | Net Increase (Decrease) in Equity (Line 68, plus line 92, plus line 98 less line 91) | \$ - \$ - | |
| 100 | Fund Equity, January 1 (from December 31 prior year report) | \$ - | \$ - | Fund Equity, January 1 (from December 31 prior year report) | \$ - | |
| 101 | Fund Equity, December 31 (add lines 99 and 100 - this total should be the same as line 34 in PART 1) | \$ (5,751) | \$ - | Fund Equity, December 31 (add lines 99 and 100 - this total should be the same as line 34 in PART 1) | \$ - \$ - | |

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 1 - Financial Statements - Balance Sheet

| Ln # | Description | Governmental Funds | | Description | Proprietary/Fiduciary Funds | |
|------|--|------------------------|-------|--|-----------------------------|-------|
| | | Capital Projects Fund* | Fund* | | Fund* | Fund* |
| 1 | Assets | | | Assets | | |
| 2 | Cash & Cash Equivalents | | | Cash & Cash Equivalents | \$ - | \$ - |
| 3 | Investments | \$ - | | Investments | \$ - | \$ - |
| 4 | Receivables | | | Receivables | \$ - | \$ - |
| 5 | Due from other Entities or Funds | \$ - | | Due from other Entities or Funds | \$ - | \$ - |
| 6 | Other Assets (specify) | \$ - | | Capital Assets, net (from Part 5) | \$ - | \$ - |
| 7 | | \$ - | | Other Assets (specify) | \$ - | \$ - |
| 8 | | \$ - | | | \$ - | \$ - |
| 9 | | \$ - | | | \$ - | \$ - |
| 10 | Total Assets (add lines 2 through 9) | \$ - | \$ - | Total Assets (add lines 2 through 9) | \$ - | \$ - |
| 11 | | | | | | |
| 12 | Liabilities and Fund Equity | | | Liabilities and Fund Equity | | |
| 13 | Liabilities | | | Liabilities | | |
| 14 | Accounts Payable | \$ 47,884 | | Accounts Payable | \$ - | \$ - |
| 15 | Accrued Payroll and Related Liabilities | \$ - | | Accrued Payroll and Related Liabilities | \$ - | \$ - |
| 16 | Accrued Interest Payable | \$ - | | Accrued Interest Payable | \$ - | \$ - |
| 17 | Due to other Entities or Funds | \$ - | \$ - | Due to other Entities or Funds | \$ - | \$ - |
| 18 | | | | Proprietary Debt Outstanding (from Part 3) | \$ - | \$ - |
| 19 | Other Liabilities (specify) | \$ - | \$ - | Other Liabilities (specify) | \$ - | \$ - |
| 20 | | \$ - | \$ - | | \$ - | \$ - |
| 21 | | \$ - | \$ - | | \$ - | \$ - |
| 22 | | \$ - | \$ - | | \$ - | \$ - |
| 23 | | \$ - | \$ - | | \$ - | \$ - |
| 24 | | \$ - | \$ - | | \$ - | \$ - |
| 25 | | \$ - | \$ - | | \$ - | \$ - |
| 26 | Total Liabilities (add lines 14 through 25) | \$ 47,884 | \$ - | Total Liabilities (add lines 14 through 25) | \$ - | \$ - |
| 27 | Equity | | | Equity | | |
| 28 | | | | Investment in Capital Assets, Net of Debt | \$ - | \$ - |
| 29 | Fund Equity | | | Fund Equity | | |
| 30 | Emergency Reserves | \$ - | \$ - | Emergency Reserves | \$ - | \$ - |
| 31 | Other Designations/Reserves | \$ - | \$ - | Other Designations/Reserves | \$ - | \$ - |
| 32 | Restricted | \$ - | \$ - | Restricted | \$ - | \$ - |
| 33 | Undesignated/Unreserved/Unrestricted | \$ (47,884) | \$ - | Undesignated/Unreserved/Unrestricted | \$ - | \$ - |
| 34 | Total Equity (add lines 30 through 33 - this total should be the same as line 101 on page 4) | \$ (47,884) | \$ - | Total Equity (add lines 28 through 33 - this total should be the same as line 101 on page 4) | \$ - | \$ - |
| 35 | Total Liabilities and Equity (add lines 26 and 34 - this total should be the same as line 10) | \$ - | \$ - | Total Liabilities and Equity (add lines 26 and 34 - this total should be the same as line 10) | \$ - | \$ - |

*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 2a - Financial Statements - Operating Statement - Revenue

| | | Governmental Funds | | Proprietary/Fiduciary Funds | | Total of All Funds |
|----|---|------------------------|-------|---|-------|--------------------|
| | | Capital Projects Fund* | Fund* | Fund* | Fund* | |
| 36 | Revenues and Other Financing Sources | | | Revenues and Other Financing Sources | | |
| 37 | Taxes | | | Taxes | | |
| 38 | Property | \$ - | \$ - | Property | \$ - | \$ - |
| 39 | Specific Ownership | \$ - | \$ - | Specific Ownership | \$ - | \$ - |
| 40 | Sales and Use Tax | \$ - | \$ - | Sales and Use Tax | \$ - | \$ - |
| 41 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - |
| 42 | | \$ - | \$ - | | \$ - | \$ - |
| 43 | | \$ - | \$ - | | \$ - | \$ - |
| 44 | | \$ - | \$ - | | \$ - | \$ - |
| 45 | Licenses and Permits | \$ - | \$ - | Licenses and Permits | \$ - | \$ - |
| 46 | Intergovernmental | | | Intergovernmental | | |
| 47 | Highway User Tax | \$ - | \$ - | Highway User Tax | \$ - | \$ - |
| 48 | Mineral Leasing | \$ - | \$ - | Mineral Leasing | \$ - | \$ - |
| 49 | Conservation Trust Fund (Lottery funds) | \$ - | \$ - | Conservation Trust Fund (Lottery funds) | \$ - | \$ - |
| 50 | Community Development Block Grant | \$ - | \$ - | Community Development Block Grant | \$ - | \$ - |
| 51 | Fire & Police Pension | \$ - | \$ - | Fire & Police Pension | \$ - | \$ - |
| 52 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - |
| 53 | | \$ - | \$ - | | \$ - | \$ - |
| 54 | | \$ - | \$ - | | \$ - | \$ - |
| 55 | Charges for Sales and Services | \$ - | \$ - | Charges for Sales and Services | \$ - | \$ - |
| 56 | Rental Income | \$ - | \$ - | Rental Income | \$ - | \$ - |
| 57 | Fines and Forfeits | \$ - | \$ - | Fines and Forfeits | \$ - | \$ - |
| 58 | Interest/Investment Income | \$ - | \$ - | Interest/Investment Income | \$ - | \$ - |
| 59 | Tap fees | \$ - | \$ - | Tap fees | \$ - | \$ - |
| 60 | | \$ - | \$ - | Total Revenues (Add lines 38 through 59) | \$ - | \$ - |
| 61 | | \$ - | \$ - | | | |
| 62 | Other Financing Sources | | | Other Financing Sources | | |
| 63 | Debt Proceeds | \$ - | \$ - | Debt Proceeds | \$ - | \$ - |
| 64 | Proceeds from Sale of Capital Assets | \$ - | \$ - | Proceeds from Sale of Capital Assets | \$ - | \$ - |
| 65 | Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - |
| 66 | Developer Advance | \$ 84,747 | | Total Other Financing Sources (Add lines 63 through 65) | \$ - | \$ - |
| 67 | | | | | | |
| 68 | Total Revenues and Other Financing Sources (Add lines 38 through 66) | \$ 84,747 | \$ - | Total Revenues and Other Financing Sources (Add lines 60 and 66) | \$ - | \$ - |
| | | | | | | \$ 84,747 |

PART 2b - Financial Statements - Operating Statement - Expenditures

| | Governmental Funds | | Expenditures | Proprietary/Fiduciary Funds | | Total of All Funds |
|--|------------------------|-------|--|-----------------------------|-------|--------------------|
| | Capital Projects Fund* | Fund* | | Fund* | Fund* | |
| 69 Expenditures | | | | | | |
| 70 General Government | \$ - | \$ - | General Operating & Administrative | \$ - | \$ - | |
| 71 Judicial | \$ - | \$ - | Salaries | \$ - | \$ - | |
| 72 Public Safety | | | Payroll Taxes | \$ - | \$ - | |
| 73 Law Enforcement | \$ - | \$ - | Contract Services | \$ - | \$ - | |
| 74 Fire | \$ - | \$ - | Employee Benefits | \$ - | \$ - | |
| 75 Other (specify) | \$ - | \$ - | Insurance | \$ - | \$ - | |
| 76 Public Works | | | Accounting and Legal fees | \$ - | \$ - | |
| 77 Highways & Streets | \$ - | \$ - | Repair and Maintenance | \$ - | \$ - | |
| 78 Solid Waste | \$ - | \$ - | Supplies | \$ - | \$ - | |
| 79 Other (specify) | \$ - | \$ - | Utilities | \$ - | \$ - | |
| 80 Health | \$ - | \$ - | Other (specify) | \$ - | \$ - | |
| 81 Culture and Recreation | \$ - | \$ - | | \$ - | \$ - | |
| 82 Other (specify) | \$ - | \$ - | | \$ - | \$ - | |
| 83 Capital Outlay | \$ 120,131 | | Capital Outlay | \$ - | \$ - | |
| 84 Debt Service | | | Debt Service | | | |
| 85 Principal | \$ - | \$ - | Principal | \$ - | \$ - | |
| 86 Interest | \$ - | \$ - | Interest | \$ - | \$ - | |
| 87 Bond Issuance Costs | \$ 12,500 | | Bond Issuance Costs | \$ - | \$ - | |
| 88 Other (specify) | \$ - | \$ - | Other (specify) | \$ - | \$ - | |
| 89 | \$ - | \$ - | | \$ - | \$ - | |
| 90 | \$ - | \$ - | | \$ - | \$ - | |
| 91 Total Expenditures (Add lines 70 through 90) | \$ 132,631 | \$ - | Total Expenditures (Add lines 70 through 90) | \$ - | \$ - | \$ 132,631 |
| 92 Net Interfund Transfers In (Out) | \$ - | \$ - | Net Interfund Transfers In (Out) | \$ - | \$ - | |
| 93 | \$ - | \$ - | Accrual Basis Reconciling Items | | | |
| 94 | \$ - | \$ - | Other Financing Sources Total (from line 66) | \$ - | \$ - | |
| 95 | \$ - | \$ - | Depreciation | \$ - | \$ - | |
| 96 | \$ - | \$ - | Capital Outlay (from line 83) | \$ - | \$ - | |
| 97 | \$ - | \$ - | Debt Principal (from line 85) | \$ - | \$ - | |
| 98 | \$ - | \$ - | Total Reconciling Items (Line 96, plus 97, less line 94, less line 95) | \$ - | \$ - | |
| 99 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Line 68, plus line 92, less line 91) | \$ (47,884) | \$ - | Net Increase (Decrease) in Equity (Line 68, plus line 92, plus line 98 less line 91) | \$ - | \$ - | |
| 100 Fund Equity, January 1 (from December 31 prior year report) | \$ - | \$ - | Fund Equity, January 1 (from December 31 prior year report) | \$ - | \$ - | |
| 101 Fund Equity, December 31 (add lines 99 and 100 - this total should be the same as line 34 in PART 1) | \$ (47,884) | \$ - | Fund Equity, December 31 (add lines 99 and 100 - this total should be the same as line 34 in PART 1) | \$ - | \$ - | |

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 3 - DEBT OUTSTANDING, ISSUED AND RETIRED

| Please answer the following questions by marking in the appropriate boxes | | | | | | Yes | No |
|---|---|---|---------------------------------------|---|--------------------------------------|-------------------------------------|----------|
| 3-1 | Does the entity have debt? | | | | | X | |
| If yes: | Is the debt repayment schedule attached? If no, please explain: Repaid as funds are available | | | | | | X |
| | 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 | Governmental (G) or Proprietary (P) | |
| | General Obligation Bonds | \$ - | \$ - | \$ - | \$ - | | |
| | Revenue Bonds | \$ - | \$ - | \$ - | \$ - | | |
| | Notes/Loans | \$ - | \$ - | \$ - | \$ - | | |
| | Leases | \$ - | \$ - | \$ - | \$ - | | |
| | Other (specify): Developer advances | \$ 46,247 | \$ 157,155 | \$ - | \$ 203,402 | G | |
| | Total | \$ 46,247 | \$ 157,155 | \$ - | \$ 203,402 | | |
| Please answer the following questions by marking in the appropriate boxes | | | | | | Yes | No |
| 3-2 | Does the entity have authorized, but unissued debt? | | | | | X | |
| If yes: | How much? | \$ 1,064,000,000 | | | | | |
| | Date debt was authorized: | 11/4/02 & 11/7/06 | | | | | |
| 3-3 | Does the entity intend to issue debt within the next calendar year (2008)? | | | | | | X |
| If yes: | How much? | \$ - | | | | | |
| Please answer the following question by marking in the appropriate boxes | | | | | | Yes | No |
| 3-4 | Does the entity have defeased debt? | | | | | | X |
| If yes: | What is the amount outstanding? | \$ - | | | | | |
| Please answer the following questions by marking in the appropriate boxes | | | | | | Yes | No |
| 3-5 | 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 entity's annual lease payments? | \$ - | | | | | |

PART 4 - CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR

| | Checking Accounts | Savings Accounts | Certificates of Deposit | Investments (list below) | Total | |
|---|--|------------------|-------------------------|--------------------------|--------------|----|
| 4-1 | Deposits | \$ 911 | \$ - | \$ - | \$ 911 | |
| 4-2 | Investments | | | \$ 6,041 | \$ 6,041 | |
| | Total | | | | \$ 6,952 | |
| | List Investments by Type (If investment is a mutual fund, please list underlying investments): | | | | Total | |
| 4-2(a) | CSAFE Investment account | | | | \$ 6,041 | |
| 4-2(b) | | | | | \$ - | |
| 4-2(c) | | | | | \$ - | |
| 4-2(d) | | | | | \$ - | |
| | Total Investments | | | | \$ 6,041 | |
| Please answer the following questions by marking in the appropriate boxes | | | | | Yes | No |
| 4-3 | 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 | |

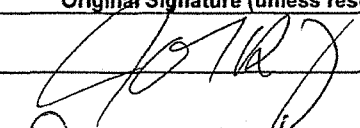



| PART 5 - CAPITAL ASSETS | | | | | | |
|--|--|-----------------------|-----------|-----------|---------------------|----|
| | | Beginning of the Year | Additions | Deletions | End of Year Balance | |
| 5-1 | For Governmental Funds | | | | | |
| | Land | \$ - | \$ - | \$ - | \$ - | |
| | Buildings | \$ - | \$ - | \$ - | \$ - | |
| | Machinery and Equipment | \$ - | \$ - | \$ - | \$ - | |
| | Furniture and Fixtures | \$ - | \$ - | \$ - | \$ - | |
| | Infrastructure | \$ - | \$ - | \$ - | \$ - | |
| | Accumulated Depreciation | \$ - | \$ - | \$ - | \$ - | |
| | Other | \$ - | \$ - | \$ - | \$ - | |
| | Total for Governmental Funds | \$ - | \$ - | \$ - | \$ - | |
| | | | | | | |
| | | Beginning of the Year | Additions | Deletions | End of Year Balance | |
| 5-2 | For Proprietary Funds | | | | | |
| | Land | \$ - | \$ - | \$ - | \$ - | |
| | Buildings | \$ - | \$ - | \$ - | \$ - | |
| | Machinery and Equipment | \$ - | \$ - | \$ - | \$ - | |
| | Furniture and Fixtures | \$ - | \$ - | \$ - | \$ - | |
| | Infrastructure | \$ - | \$ - | \$ - | \$ - | |
| | Accumulated Depreciation | \$ - | \$ - | \$ - | \$ - | |
| | Other | \$ - | \$ - | \$ - | \$ - | |
| | Total for Proprietary Funds | \$ - | \$ - | \$ - | \$ - | |
| | | | | | | |
| Please Answer the following questions by marking in the appropriate boxes. | | | | | Yes | No |
| 5-3 | Did the entity inventory the capital assets? (Section 29-1-506, C.R.S.)? If no, please explain: The district has no land, equipment or capital assets | | | | | X |

| PART 6 - PENSION INFORMATION | | | | | |
|--|--|------|------|----|---|
| Please Answer the following questions by marking in the appropriate boxes. | | | Yes | No | |
| 6-1 | Does the entity have an "old hire" fire pension plan? | | | | X |
| 6-2 | 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) | \$ - | | | |
| | What is your monthly benefit paid for 20 years of service per retiree as of Jan 1st? | | \$ - | | |

| PART 7 - BUDGET INFORMATION | | | | | |
|--|--|-----------------------------------|------------|----|--|
| Please Answer the following questions by marking in the appropriate boxes. | | | Yes | No | |
| 7-1 | Did the entity file a 2007 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 2007: | | | | |
| | Fund Name | Budgeted 2007 Expenditures | | | |
| | General Fund | \$ | 130,000 | | |
| | Capital Projects Fund | \$ | 28,566,000 | | |
| | | \$ | - | | |
| | | \$ | - | | |

| PART 8 - TABOR | | | |
|--|--|-----|----|
| Please Answer the following questions by marking in the appropriate boxes. | | Yes | No |
| 8-1 | Is the entity in compliance with all the provisions of TABOR? [State Constitution Article X, Section 20 (5)]? If no, please explain: | X | |
| Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3% emergency reserve requirement. In this case, you should see if the entity meets this requirement and check yes or no above. | | | |

| PART 9 - GENERAL INFORMATION | | | |
|--|--|-----|----|
| Please Answer the following questions by marking in the appropriate boxes. | | Yes | No |
| 9-1 | Is this entity a newly formed governmental entity? | | X |
| 9-2 | Is this a metropolitan district? | X | |
| 9-3 | Please indicate what services are provided: Provide financing for the design, acquisition, construction and installation of essential public purpose facilities and improvements such as sanitation, water, streets, traffic and safety controls, parks and recreation, transportation, television relay and translation, mosquito control, and fire protection. | | |
| 9-4 | 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: Town of Castle Rock. Imposition of a "Fire Protection and Emergency Response Mill Levy" of 6.75 mills and direct payment of \$161,730 to build a fire station in the District. Town of Castle Rock. Construction of certain water main facilities. Crowfoot Valley Ranch MD No. 2. District No. 2 will pay the costs to construct, operate and maintain improvements described in the Consolidated Service Plan of the Districts by imposition of a mill levy on the property within it boundaries. District No. 1 will own, operate, maintain and construct the improvements. | | |

| PART 10 - 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 or 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. Reviewed and approved by a majority of the governing body | | | |
| Note: Please list all current members of the governing body. In addition, original signatures <u>must</u> be provided for a majority of those listed. | | | |
| 1 | Name (please print or type all current members of the governing body) | Date Term Expires | Original Signature (unless resolution is attached) |
| 2 | John R. Waggoner | May 2010 |  |
| 3 | Timothy J. Hendrick | May 2008 |  |
| 4 | Donald E. Hunt | May 2010 |  |
| 5 | J. Eric Eckberg | May 2008 |  |
| 6 | Liliana M. Mendes | May 2008 | |



ACCOUNTANTS' COMPILATION REPORT

**Board of Directors
Crowfoot Valley Ranch Metropolitan District No. 1
Douglas County, Colorado**

We have compiled the Application for Exemption from Audit of Crowfoot Valley Ranch Metropolitan District No. 1 as of and for the year ended December 31, 2007, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Colorado State Auditor's Office information that is the representation of management. We have not audited or reviewed the accompanying Application for Exemption from Audit and, accordingly, do not express an opinion or any other form of assurance on it.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado State Auditor's Office, which differ from generally accepted accounting principles. Accordingly, the Application for Exemption from Audit is not designed for those who are not informed about such differences.

We are not independent with respect to Crowfoot Valley Ranch Metropolitan District No. 1.

Clifton Gunderson LLP

Greenwood Village, Colorado
January 31, 2008



March 21, 2008

Office of the State Auditor
Local Government Audit Division
255 East 16th Avenue, Suite 555
Denver, CO 80203

Enclosed are copies of the Application for Exemption from Audit for Crowfoot Valley Ranch Metropolitan Districts No. 1 and 2 for the year ended December 31, 2007. Please mail the Acceptance of Exemption from Audit directly to our offices at:

8390 E. Crescent Pkwy, Suite 600
Greenwood Village, CO 80111

If you have any questions concerning this report, please contact us at (303) 779-5710.

Very truly yours,

A handwritten signature in cursive script that reads "Clifton Gunderson LLP".

CLIFTON GUNDERSON LLP
Certified Public Accountants & Consultants

Enclosures

8390 E. Crescent Parkway, Suite 600
Greenwood Village, Colorado 80111
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fax: 303.779.0348

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Offices in 17 states and Washington, DC

